A UNITED STATES DEPARTMENT OF COMMERCE PUBLICATION

April 6, 1970

International Commerce

The Developing Crisis in International Trade

Labor steps up fair trade drive

A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Trade Winds

Company News

AIRCRAFT SERVICING—AAR Corp., Elk Grove Village, Ill. (Allen Aircraft Radio Inc.), has purchased International Luchtvaart Radio Service N.V., an aircraft servicing and maintenance firm at Rotterdam Airport. AAR is already established at Amsterdam's Schiphol Airport. Further expansion in other European centers is projected.

BANKING—Allied Bank International, New York, has been granted permission by the Federal Reserve Board to establish a branch in Nassau, the Bahamas. The new facility will allow Allied to provide American corporations overseas with services needed to compete with their counterparts abroad. Allied, a year-old international organization formed by 17 major regional banks of the U.S., also has offices in London and Hong Kong.

COMPUTERS—Sperry Rand Corp.'s Univac Division, Philadelphia, announced the opening of two new computer service centers, one in Hong Kong, the other in Bangkok. Both centers will be used for service bureau operations, equipment demonstrations, as back-up equipment for the use of local Univac customers, and for personnel training.

CONSTRUCTION—Selas Corp. of America, Dresher, Pa., has received a $4 million contract to supply 10 large furnaces for use by a French ethylene producer. The cracking units will be sold to Naphthachimie of Lavera near Marseilles and will be used to reduce petroleum to simpler compounds. The production facilities will be part of the complex Linde A.G. of Munich is building. Completion is scheduled for early 1972. Selas will provide process design, engineering and complete supply and erection of the 10 double-cell horizontal coil-type furnaces.

STEEL—USS Engineers and Consultants, Inc., U.S. Steel subsidiary, announced a five-year agreement with Kobe Steel, Ltd., Japan. The Philadelphia firm will provide technical assistance in connection with the expansion of Kobe's Kakogawa plant. The technical assistance program includes training in certain phases of steel production, both at U.S. Steel plants and in Japan.

Newsletter

Need an agent or distributor in East Africa? Here's what the U.S. Embassy's Sample Display Service in Nairobi, Kenya, did for Kennecott Copper recently: 1) put Kennecott's Koride 101 (a fungicide-bactericide) on display for a 2½-month period; 2) mailed an agent-search announcement to 950 East Africa business houses by way of the Embassy's Commercial Newsletter; 3) sent special letters to 13 Kenyan firms dealing particularly in agricultural chemicals; 4) gave direct assistance to a Kennecott representative when he visited Nairobi to conclude negotiations. Result: Kennecott now has a firm to handle its line in East Africa.

The 10th anniversary for the 1,500-member National and Regional Export Expansion Councils occurred in the past week. It all began when a five-member committee was named in March 1960 in response to a call from President Eisenhower. The business advisers offer ideas and counsel on building the country's export totals. Their link to the Secretary of Commerce is Commerce Department's Office of Field Services.

A tribute to the Field Services of Commerce Department—and of course to the man involved—is the designation by the International Trade Club of Chicago of April 9 as "Tony Buchar Day." Anthony J. Buchar, who retires on April 3 as Director of the Commerce Department's Chicago Field Office, is described by the club as having given "40 years of service, principally on behalf of the international trade community of the Chicago area."

The Paris U.S. Trade Center, opened last November, continues to confirm the attractive sales exposure it offers to U.S. firms. The Center's third show, of Printing and Bookbinding Equipment, reported $760,000 in floor sales and a 12-month projected sales total of $6.3 million. Four agents were appointed during the show, and 33 other candidates are being considered.

Another Paris Trade Center success (see last week's INTERNATIONAL COMMERCE, page 24) was the $6 million in floor sales reported by a recent between-shows user of the center on the Avenue de Neuilly. Viatron Computer Systems, using a telephone hookup, flashed data from a GE-Bull computer onto a TV screen that is a part of Viatron's communications terminal. The demonstrations brought in 1,050 persons from banks, credit agencies, insurance firms, department stores and governmental units.

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the cover

"Our unions bear a responsibility to develop policies and programs that will be economically sound for union members while responsive to the nation's needs." So said the Industrial Union Department of the AFL-CIO in bringing together leaders from 45 member unions with Federal Government representatives and specialists from the academic world at a recent Washington conference on "The Developing Crisis in International Trade." Story is on page 2.

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TRADE IS A TWO-WAY STREET, these Washington AFL-CIO leaders said, in effect, at a special conference called by the labor organization's Industrial Union Department. The speakers, from left: AFL-CIO Secretary Treasurer Lane Kirkland; Nat Goldfinger, Director, AFL-CIO Research Department, and I. W. Abel, President of the United Steel Workers and the Industrial Union Department. (Photos from AFL-CIO Industrial Union Department, by Fletcher Drake).

Labor: trade 'crisis' here

Hard-hitting AFL-CIO D.C. meeting seeks fair treatment of U.S. products in world markets

Organized labor is sending up storm signals about the current effect of the international trade situation on U.S. industry, and is determined to put them up where the whole public, not just its own membership, cannot overlook them.

"This is a problem of the entire trade union movement—not just the problem of some workers. It's a problem of the entire United States and that's the way we intend to handle it," said a top level AFL-CIO spokesman in Washington last month.

The problem, as he described it, has the following points of immediate alarm, each a threat to U.S. employment:

►Strong industrial growth overseas is sending a flood of imports here to compete with U.S.-made products.

►Restrictive practices abroad are choking off sales of U.S. goods in many markets.

►Some multi-national corporations are shifting production to countries of low labor costs, adding to the competition met by U.S. products domestically and in world markets.

The AFL-CIO summed it all up in the title of a conference—"The Developing Crisis in International Trade"—it conducted in Washington March 19 and 20. The meeting was organized by the organization's Industrial Union Department. In the audience were 500 delegates from 45 unions that belong to the department.

Next step: circulate the word in Washington and around the country that, as one AFL-CIO leader phrased it, "a battery of realistic policies and measures must be adopted."

The conference was described as the first such national union session that had international trade as its sole topic. The trade union movement—the AFL and the CIO before their merger and the combined federations since—has frequently made public pronouncements on U.S. overseas trading, usually in support of expansionist policies and the reciprocal agreements that have been in effect in the past 25 years.

But the call for this unique conference noted that lately in some industries "the volume of imports has risen at a fantastic rate; in many cases, jobs have been directly and seriously jeopardized." While observing that "balances must be achieved, since the economic health of industries that export large quantities of goods is affected by our national policy on imports," it concluded that "clearly there are difficult and complex issues involved here."

The conference brought together speakers from the Federal agencies concerned with international trade: State, Commerce and Labor Departments, the U.S. Tariff Commission, and the White House Office of Special Trade Representative. Delegates also heard from two Senators active in the trade legislation field.

Union officials who spoke represented a cross-section of the industries most immediately affected by recent increases in imports: steel, textiles and clothing, glass, pottery, shoes, and electronics.

I. W. Abel, President of the Industrial Union Department, in his keynote address, set the thrust of the AFL-CIO trade policy in such passages as these:

"Some will make the charge that we are putting on the cloak of protectionism. Those who do so fail to recognize that old concepts and labels of 'free trade' and 'protectionism' have become obsolete. They have been outdated in this new world of managed national economies, international technocracy, multinational corporations and record United States investment overseas.

"I would also say to those who charge us with seizing the banner of protection-

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ism, we still believe in a healthy expansion of trade with other nations. But our support for the balanced expansion of trade does not mean we believe in the promotion of private greed at public expense. It does not mean that such expansion of trade should under-cut unfairly the wages and working standards of Americans. On the contrary we maintain that expanded trade can mean expanded employment—here at home and in the nations we trade with.

Stress on fair trade

"Perhaps the new concept, or more desirable objective in international trade, should be . . . 'fair trade.' Not only has the world situation changed, but as I have indicated, the rules of the trading game as now constituted are rigged against us.

"I think it is time we stated quite frankly and briefly that we should stop being the only 'good guys' in international trade. I think it is time we emphasized the point that international trade is a two-way street.

"That international trade is a two-way street is a truism which has long been neglected. The very countries, like Japan, which most strongly criticize our movement toward import restrictions, themselves are among the most protectionist in the world. That is, we open our markets to them, while they close their markets to us.

One-way street 'intolerable'

"This kind of one-way street situation is obviously intolerable and we ought to appeal for its immediate correction. There can be exceptions to such a demand for equal treatment, as in the case of developing countries, but certainly not in the case of highly industrialized countries. In short, what we want is a fair shake."

VOLUNTARY AGREEMENTS AND QUOTAS was the subject of a discussion by Kenneth N. Davis, Jr., assistant Secretary of Commerce for Domestic and International Business (right), who is shown with Charles H. Pillard, President of the International Brotherhood of Electrical Workers.

Theodore R. Gates of the White House Office of Special Representative for Trade Negotiations said that among the solutions to current problems "the first and foremost is to get new trade legislation on the books." Urging action on the proposed Administration Trade Act, Gates described the bill's efforts to make escape clause import relief and adjustment assistance easier to achieve. He recognized the great need for taking steps to eliminate other countries' non-tariff barriers to U.S. trade. He emphasized the importance of eliminating the American Selling Price system of protecting some U.S. chemical producers as being the key to progress in these non-tariff barrier negotiations.

Issue critical to nation

Kenneth N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, praised union leadership in drawing public attention to "an issue of critical national importance —one that will require new cooperative efforts among business, labor, and government in the months ahead."

Davis said that the very real impact of foreign competition on a wide range of U.S. industries has been obscured by the overheated economy.

"We are bringing inflation under control," he said, "but that will not solve all of the world competitive problems of U.S. business and labor. The world has become a global marketplace, and competition between the industrial nations is growing rapidly, both in home markets and in other countries. How effectively U.S. business, labor, and government work together to obtain fairer treatment in our trade relations with the other great trading nations will be of crucial importance to our workers' jobs and the strength of our nation's industry and economy in the years ahead.

U.S.—world's most open market

"The United States is by far the most open market in the world today. In the interest of both labor and business, and the economic well-being of the nation as a whole, we must now seek more equitable, reciprocal access to our trading partners' markets."

Davis cautioned the labor audience that the U.S. should not turn toward protectionism as an answer to world competitive problems. He noted that "after World War II, the United States

IMPORT RELIEF was the subject of an address by U.S. Tariff Commissioner Bruce E. Clubb.

TRADE LEGISLATION was analyzed by Theodore R. Gates of the White House Office of Special Representative for Trade Negotiations.

NON-TARIFF BARRIERS were reviewed by Philip H. Trezise, Asst. Sec'y of State for Economic Affairs.

set out to build up industrial strength in all parts of the world to meet the needs of all people. An expansionist trade policy was, and still is, a key part of the U.S. program. Labor has always been among the staunchest supporters of this expansionist policy. Now that we have been successful in creating worthy competitors and recognizing the inevitable onward thrust of modern technology in communications and transportation, we should not turn back toward protectionism."

Signs of growing discrimination

Davis noted, however, that there are many signs of growing discriminatory practices being imposed by other countries on U.S. companies at the very time these same countries are increasing their sales to the United States. He noted that diverse products ranging from consumer items like radio and TV sets, clothing, and shoes, all the way to such heavy industrial products as steel, electrical generators, and commercial aircraft had been subject to one type of unfair practice or another.

Davis said that the Commerce Department felt that "the time has come when industry groups which were formerly stereotyped as 'free trade' or 'protectionist' can find common cause in seeking U.S. Government policies to assist America's foreign trade."

Call by Secretary Stans

He noted that Secretary of Commerce Maurice H. Stans had disclosed recently that leaders of U.S. industry and trade associations would be invited to Washington to help map "an all-out drive" against overseas restrictions which discriminate against American-manufactured products.

"We will also ask these leaders for their advice and support on positive U.S. Government programs to stimulate exports, such as more competitive credit for capital goods exports," he said.

Davis strongly urged labor to join in supporting the Government's efforts to open up foreign markets and to encourage export of U.S. manufactured products.

"Above all," he said, "business and labor together must recognize the essential need for the United States to remain competitive in a vastly changing world. We must continue to lead in technological and marketing innovation, and in product quality."

"Price competitiveness is of particular concern in these inflationary times," he said. "Labor holds the key to the productivity gains which must be achieved if the U.S. is to maintain international price competitiveness while continuing the advance of our standard of living."

Senator Edmund S. Muskie of Maine told the delegates the Federal Government has the obligation to see to it that one segment of the population alone does not bear the hardship caused by imports. He urged the continuation of expansionist trade policies by the United States, coupled with efforts to eliminate trade barriers overseas and to give increased protection for American workers displaced by import competition.

Senator Vance Hartke of Indiana traced the steel import situation, and while pointing to a marked improvement for the domestic industry in 1969, declared that it could easily be reversed in the period just ahead. He asserted: "If it takes legislation to insure that this country's wage earners and businessmen get a fair break in the international marketplace, then I promise you we shall have legislation." He said the objective of Federal trade measures should be "not protection, not special advantage, but simple equity—a fair shake at the bargaining and sales tables of the world."

Other Federal Government speakers were Philip H. Trezise, Assistant Secretary of State for Economic Affairs; U.S. Tariff Commissioner Bruce E. Clubb; Herbert Blackman, Deputy Assistant Secretary of Labor for Trade and Adjustment Policy, and Edgar Eaton, Director of the Office of Foreign Economic Policy in the Labor Department's Bureau of International Affairs.

From the academic world came Professors Richard N. Gardner of Columbia Law School, George Lodge, Jr., of the Harvard Graduate School of Business, and Everett Kassalow of the University of Wisconsin.

Call for orderly trade growth

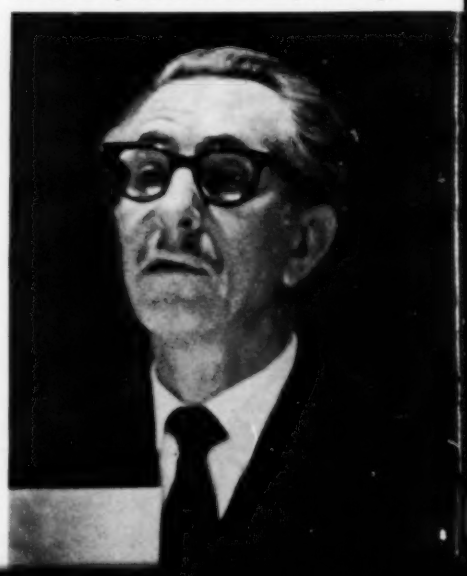
The general AFL-CIO viewpoint was presented by I. W. Abel, as reported above, and by Lane Kirkland, the organization's Secretary-Treasurer, and Nat Goldfinger, Research Department Director.

Kirkland told the delegates "We in the AFL-CIO have supported the expansion of world trade. We continue to support such expansion. But expansion of world trade must be made orderly. It must be regulated to prevent the loss of American jobs and the exploitation of American workers or workers in other countries."

Goldfinger said that the growth of multi-national companies has far outrun the development of U.S. Government policies to deal with their activities. He went so far as to urge union members to seek legislation "to stop helping and subsidizing U.S. companies in setting up foreign subsidiaries; to curb the outflows of American foreign investment of American companies; to regulate and control the operations of U.S.-based multi-national companies."

ADJUSTMENT ASSISTANCE for import-hit workers was described by Edgar I. Eaton, Labor Dept.

FOREIGN COMPONENTS' impact on U.S. trade was viewed by Herbert N. Blackman, Labor Dept.



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Workers hit by import competition need improved Federal adjustment assistance, Labor Secretary says

Shultz points to inequities in current system, which sets narrow conditions for aid; backs new bill, 'early warning' procedures

By GEORGE P. SHULTZ
Secretary of Labor

Growing concern over the harmful effects of import competition on certain American workers reflects the urgent need for this nation to provide better assistance to working people adversely affected by foreign trade.

International trade is vital to the well-being of our country. It benefits the economy as a whole by bringing effective price competition, enlarged markets for American goods, and a greater range of goods for all our citizens.

But no worker can be allowed to suffer while the nation reaps the rewards of foreign trade. Steps must be taken to assure adequate protection for those whose livelihoods are endangered by import competition.

Current procedures for helping workers adjust to the effects of trade are not entirely satisfactory. Under the provisions of the Trade Expansion Act of 1962, the Tariff Commission may certify workers eligible to apply for adjustment assistance—a weekly cash payment, reemployment services, or relocation allowances—only when they are harmed by increased imports resulting primarily from tariff concessions.

This criterion is clearly inequitable. When workers are hurt by increased imports, it makes no difference whether the increases resulted from tariff actions or other factors. The important consideration is that some Americans have been harmed by a situation that benefits the nation as a whole. This itself is enough to warrant speedy and effective adjustment procedures.

The proposed new Trade Act would provide adjustment assistance to greater numbers of workers dislocated by import competition by broadening eligibility criteria. For a worker to receive assistance, the rise in imports wouldn't have to be related to a prior tariff cut. Under the proposal, workers could be certified as eligible for assistance when increased imports—regardless of their reason—are found to be a substantial cause of actual or potential injury.

SEC'Y OF LABOR SHULTZ

These changes are urgently needed. They would substantially help the nation's workers meet the threat of import competition. But other reforms are also vital.

The Labor Department is currently planning several programs for improving the nation's ability to assist adversely affected workers. An "early warning" system has been proposed to alert officials at both the national and local levels about industries from which applications for assistance are most likely to come.

This would help the Department gauge the magnitude of need and estimate the budget necessary to deal with the total adjustment assistance program. It would also help Department officials explore trade questions with other government agencies, employers, and unions.

The Department is presently devising ways to clarify procedures for determining adjustment assistance eligibility. These procedures would help to assure that affected workers get quick, efficient and equitable adjustment help whenever they are harmed by import competition.

This article is adapted from a recent public statement by Secretary Shultz.

Finally, the Labor Department is seeking better ways to provide workers who are displaced by trade with a wider range of training and job opportunities individually tailored to their specific needs.

Adjustment assistance cannot be considered adequate if all that is given the worker is a weekly cash benefit. Our aim is to provide truly effective adjustment assistance by helping the worker return to a stable job with advancement prospects.

Under current proposals, local employment service offices would be notified as far in advance as possible of impending layoffs at any particular plant. Workers at that plant would then register with the office as far in advance as possible.

An adjustment team, which would include representatives of the employment service, the employer, and the workers would be established to interview each affected worker. Those who could immediately move into other jobs would be referred to suitable employment in the area. Workers who need employment assistance would be provided an individually tailored re-employment plan which might include job training, medical assistance, or other services.

We view as crucial the help worker and employer representatives can provide affected workers in getting back on a good job. For these people are most familiar with the employment needs of their industry at national, state, and local levels.

This brings up another point which I consider very important. I believe that the private sector should play an important role in helping workers meet possible adversities of foreign trade.

Just as international trade benefits the country as a whole, so does it help individual private enterprises boost their own business, markets, and profits.

Those firms with a stake in foreign trade should have a special concern and interest in improving worker adjustment procedures. We would welcome suggestions from trade associations, individual firms, and trade unions on ways to develop a more effective adjustment assistance program. We invite employers—as well as worker representatives—to participate actively in this problem-solving venture. We are convinced that private enterprise can do much to improve this vital area by lending their talents and energies to the task of advance planning and relocating or retraining workers.

Our democratic system is founded on the idea that national progress must provide a framework for individual progress. On both moral and economic grounds, we must hold fast to that basic principle as we seek to promote national advancement through international trade.

Trade policy mechanism called 'escape clause' offers some relief from impact of tariff concessions

New attention drawn to it by recent actions on pianos, glass; Trade bill would liberalize provisions affording remedies

By BERNARD ASCHER
Office of Commercial and Financial Policy, BIC

President Nixon's recent tariff actions on upright pianos and sheet glass have rekindled interest in the trade policy mechanism known as the escape clause. The actions on pianos and glass, described in detail later in this article, provide escape clause tariff protection for a temporary period and authorize firms and groups of workers in the industries to apply for adjustment assistance. They mark the first time that relief has been granted to American industries since the Trade Expansion Act (TEA) became law in 1962. Prior to these escape clause cases, thirteen other industries had applied to the Tariff Commission for relief from import competition under the Act. Their petitions resulted, however, in negative determinations by the Commission because the criteria of the Trade Expansion Act were not satisfied.

This article reviews the operation of the escape clause mechanism since its inception. The inability of domestic industries to obtain relief through this procedure in the face of rising imports has been responsible at least in part for the introduction of numerous legislative proposals to make its operation virtually automatic under specified conditions and to impose import quotas on various groups of products. In recognition of the need to provide prompt and effective relief to industries, firms or workers faced with adversity because of increased imports, the Administration's proposed trade bill, now pending in the Congress, contains provisions that would liberalize the criteria for granting escape clause relief and adjustment assistance.

The escape clause

In U.S. trade policy, the so-called escape clause refers to the safeguard against, or the remedy for, serious injury to a domestic industry caused by increased imports resulting from trade agreement concessions.

The term escape clause itself refers to the clause, incorporated in virtually all trade agreements entered into by the United States, which permits the withdrawal or modification of a tariff concession when imports of an article enter the affected country in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

International obligations

When the escape clause is invoked, the United States, as a member of the General Agreement on Tariffs and Trade (GATT), is obliged to consult with any nation whose trade is adversely affected by the withdrawal of a trade concession. That nation, under the GATT rules, may seek other concessions to compensate for the impaired concession or it may reject the offer of compensation and take retaliatory action against U.S. exports. Thus, for example, when the United States increased the tariffs on certain carpets and glass in 1962, the European Common Market retaliated by increasing tariffs on American exports of paint and varnish, polyethylene, polystyrene and synthetic and artificial cloth. When the trade agreement rates are restored by the country which impaired the concession, the retaliatory action is to be removed by the affected countries. Thus, after the United States partially restored the trade agreement rates on sheet glass in 1967, the Common Market countries modified their retaliatory rates.

The United States used retaliatory action in 1963, raising the rates of duty on certain products (potato starch, brandy valued over $9 per gallon, dextrine and soluble or chemically treated starches, and automobile trucks valued at $1,000 or more) after the Common Market imposed increased import charges on American poultry. This controversy became known as the "chicken war."

Other countries have withdrawn tariff concessions under the GATT procedures on grounds that imports were causing injury to their domestic industries.

The escape clause, as it is now known, was first used in 1943 in a bilateral trade agreement with Mexico. In 1951 U.S. escape clause procedures were written into trade agreements legislation. The Trade Agreements Extension Act of 1951 not only provided such domestic procedures, but also made the inclusion of an escape clause mandatory in all trade agreements then in force and in all future trade agreements. Before passage of the 1951 Act, the procedure for administering trade agreement escape clause actions was provided for by Executive Order 9832 of Feb. 25, 1947, Executive Order 10004 of Oct. 5, 1948, and Executive Order 10082 of Oct. 5, 1949.

Key provision

In order to impose higher tariffs or import restrictions for the relief of domestic industries under Section 7 of the Trade Agreement Extension Act of 1951, it had to be determined that, as a result *in whole or in part* of trade agreement concessions, increased imports were causing or threatening serious injury to the domestic industry.

Of 113 investigations completed prior to 1962, the Tariff Commission sent reports and recommendations to the President on 41 cases and the President invoked the escape clause on 15 of those cases. The articles involved were women's fur felt hats and hat bodies, hatters' fur, dried figs, alsike clover seed, watch movements, bicycles, linen toweling, spring clothespins, safety pins, clinical thermometers, lead and zinc, stainless-steel table flatware, cotton typewriter-ribbon cloth, sheet glass, and certain carpets and rugs.

Trade Expansion Act of 1962

The Trade Expansion Act of 1962 (TEA) made significant changes in the criteria by which industries could obtain escape clause relief. Instead of having to show that injury was the result *in whole or in part of* increased imports, the domestic industry had to show that trade concessions were the major cause of increased imports and that increased imports were *the major factor* causing injury or threat of injury.

The TEA also made a significant change with respect to the duration of escape clause actions. It provided that, unless extended by the President, escape clause actions would automatically terminate after a specified period—five years from the date of enactment for those actions already in force, and not later than four years from the date of imposition for actions made effective after passage of the Act.

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In addition to revising the escape clause provisions, the TEA established a new form of relief for injury caused by imports—adjustment assistance for firms and workers. The escape clause mechanism and the adjustment assistance provisions are related in that they both are designed to aid domestic producers to adjust to import competition. They differ in that escape clause relief is primarily designed to provide assistance on an industry-wide basis in the form of increased tariffs or quantitative import restrictions, whereas adjustment assistance is designed to assist individual firms or groups of workers within an industry. Assistance to firms takes the form of technical assistance, lower-cost loans, and tax relief; assistance to groups of workers takes the form of additional unemployment compensation, relocation allowances and retraining.

Following a finding of injury to an entire industry, the President may provide adjustment assistance to the firms and workers in that industry in lieu of, or in addition to, imposing higher tariffs or other restrictions on the competitive imports (just as President Nixon has done in the recent cases on pianos and glass). However, adjustment assistance was expected to be most useful in instances where individual firms or groups of workers in an industry were injured by imports, although the industry as a whole was not in a state of serious injury or threatened with serious injury.

Effective period

Under the 1951 law, individual escape clause actions were to remain in effect only "for the time necessary to prevent or remedy" the injury. A formal procedure was established by Executive Order to keep under review the latest developments in the trade. If the developments indicated a change in competitive conditions, the Tariff Commission was to determine whether it was still necessary to maintain escape clause tariff protection for the domestic industry. This procedure was continued in the Trade Expansion Act but, as noted above, a time limit of five years was established for escape clause actions in force when the TEA was enacted.

Eight escape clause actions became subject to review under the Trade Expansion Act. Of these, actions had been in effect since 1954 for watch movements; since 1957 for safety pins; since 1958 for clinical thermometers and for lead and zinc; since 1959 for stainless-steel flatware; since 1960 for cotton typewriter-ribbon cloth; and since 1962 for certain carpets and glass (a few months before passage of the Act).

Says trade surplus has soft spots

A February trade surplus that was the largest for a single month since September 1967 probably reflects unusual temporary circumstances, and a strong export expansion effort is still needed to strengthen the national payments balance, Assistant Secretary of Commerce for Economic Affairs Harold C. Passer has declared.

Passer reported merchandise exports for the month at $3,628.4 million, the highest ever, and general imports at $3,255.9 million, about the same as in January. The month's surplus was $372.5 million. Passer suggested the combined January-February average surplus of $214 million as a better reference, up modestly from the $175 million monthly average in the last quarter of 1969.

Passer commented about these figures: "Trade developments thus far this year must be judged in the light of several factors. On the import side, it is significant that imports, especially of consumer goods, have remained at a high level. With the expected pickup in economic activity in the second half of the year, there may be some intensification of import demand. On the export side, a large part of the February increase was related to the strong demand for machinery and industrial materials, especially in Europe. This recovery in February was encouraging, but may be associated with pressures on productive capacity abroad."

Following intensive reviews, the President, effective in 1965, terminated the escape clause action on lead and zinc and modified the action on flatware; in 1966, he terminated the actions on safety pins and clinical thermometers; and early in 1967, he terminated the action on watch movements and modified the action on sheet glass.

On Oct. 11, 1967, the fifth anniversary of the Trade Expansion Act and the scheduled expiration date for the escape-clause rates, President Johnson issued proclamations extending the existing tariffs on carpets and glass until Dec. 31, 1969; he also permitted the escape clause rates on cotton typewriter-ribbon cloth and stainless steel flatware to terminate, and restored the suspended trade agreement rates. The domestic producers of these products had petitioned for extension of the higher tariffs.

The President's actions were based on advice from the Tariff Commission, the Secretaries of Commerce and Labor, the Special Representative for Trade Negotiations and other government departments and agencies, following fact-finding investigations by the Tariff Commission and an inter-agency review.

Thus, in the first five years of the Trade Expansion Act, six of the eight pre-existing actions were terminated and another was modified. As a result, by 1969 only two product groups remained subject to temporary escape clause tariff protection —certain carpets and rugs (Wiltons and velvets) and certain sheet glass (window glass). Domestic producers of both product groups petitioned for continuation of the higher duties and domestic producers of flat glass applied for tariff increases on all flat glass products, including window glass.

No further actions were taken until late 1969 when the carpet and glass actions were scheduled to expire. Late in December, the President proclaimed a 90-day extension of the duties on window glass pending the outcome of the Tariff Commission investigation of all flat glass products; he also terminated the higher duties applicable to most carpets and rugs (the "Oriental" types).

Relief under the TEA

Industries. As stated earlier, none of the first thirteen industry cases resulted in affirmative determinations. These cases involved household china tableware and kitchenware, earthenware table and kitchen articles, hatters' fur, softwood lumber, whisky, umbrellas, watches and watch movements, mushrooms, ice skates, eyeglass frames, barbers' chairs, broomcorn, and sardines.

The fourteenth case, relating to pianos, and the fifteenth case, relating to flat glass, resulted in affirmative determinations and tariff actions.

In the case of upright pianos, President Nixon temporarily suspended the scheduled Kennedy Round rate reductions at the second stage of implementation, that is, he discontinued the 11.5% ad valorem rate which had gone into effect on Jan. 1, 1970 and restored the 1969 rate of 13.5%, which will be continued for three years. In 1973, unless the escape clause action is extended by the President, the Kennedy Round reductions will be resumed with the final rate of 8.5% becom-

ing effective in 1975 instead of 1972,as originally scheduled. The President's action did not apply to grand pianos. This was not only the first escape clause action under the Trade Expansion Act of 1962, but the first time a President had ever taken action following a finding of "threat of injury."

In the case of glass, the President proclaimed that the escape clause rates currently in effect on window glass will be applied until Jan. 31, 1972, at which time they will begin to be phased out in stages. Thus, the escape clause rates are scheduled to terminate on Jan. 31, 1974 and be replaced by the trade agreement rates. No increased rates were established by the President for any other types of sheet glass.

In both cases, the President authorized the firms and groups of workers in the industries to apply to the Secretaries of Commerce and Labor, respectively, for adjustment assistance to help them adjust to import competition.

A sixteenth industry case, involving barbers' chairs, and a seventeenth case involving umbrellas and metal parts thereof, are now under investigation by the Tariff Commission. The Commission also recently instituted an investigation to develop information requested by the President on competition in the sale of non-oriental type carpets and rugs.

Firms. Nine petitions have been filed by firms for adjustment assistance. None of the first eight cases resulted in affirmative determinations. The petitioning firms produced the following products: household china tableware, sodium gluconate, crude petroleum, ceramic floor and wall tile (two cases), plywood door skins, and barbers' chairs (two cases). The ninth case, currently under investigation, also concerns barbers' chairs.

Workers. Fourteen petitions have been filed on behalf of worker groups for adjustment assistance. The first seven cases, which resulted in negative determinations, involved workers engaged in the production of unmanufactured zinc, transistor radios, iron ore, cotton sheeting, ceramic tile (two), and men's welt shoes.

In November 1969, three steel worker groups received affirmative determinations of unemployment or underemployment caused by imports and were authorized to apply to the Secretary of Labor for assistance. In February 1970 a fourth steel worker group received an affirmative determination. In March, a group of ceramic tile workers received a negative determination. Two additional investigations are pending for workers engaged in the production of plastic- and rubber-soled footwear. (Several groups of workers also received assistance under the provisions of the Automotive Products Trade Act of 1965, which implements the U.S.-Canada Auto Agreement.)

The recent affirmative findings by the Tariff Commission resulted from a change in interpretation of the law's provisions. The Commission reasoned that "but for" the accumulation of tariff concessions over the years, imports would not have reached substantially their present level since the price advantage enjoyed by imports would not have been so great. The Commission also reasoned that serious injury would not be threatened were it not for increased imports. In previous cases, the Commission had ruled against petitioners either on grounds that tariff concessions in the distant past had become part of the conditions of trade and could not therefore, be considered the major cause of imports, or on grounds that the increased imports were not attributable in major part to tariff cuts.

New Trade Act

The Administration's trade bill, which was sent to Congress by the President on Nov. 18, 1969, contains amendments to the tariff adjustment and adjustment assistance provisions of the current law. The bill was introduced as H.R. 14870 by Representatives Wilbur D. Mills of Arkansas and John W. Byrnes of Wisconsin on behalf of the Administration. The amendments are intended to remedy the rigid criteria of the Trade Expansion Act of 1962 to make these forms of relief more readily available to industries, firms, and workers injured by competition from imports.

Under the revised provisions, the petitioners would no longer be required to show that the increase in imports is related to a prior tariff reduction. Relief would be made available to industries when increased imports are found to be the *primary* cause, not the *major* cause (as at present), of actual or potential serious injury. Firms and workers would be authorized to apply for adjustment assistance when increased imports are found to be a *substantial* cause rather than the *major* cause, of actual or potential serious injury.

Other changes are proposed in the administration of these adjustment provisions. The Tariff Commission would continue to gather and supply the needed factual information, but determinations of injury or significant unemployment or underemployment would be made by the President. Also, adjustment assistance would be made available to separate units of multiplant companies if the unit, but not the entire parent firm, were substantially injured.

With this legislation pending and with renewed interest aroused by the recent actions on upright pianos and sheet glass, Congress and the business community will be taking a fresh look at the escape clause mechanism. A review of its operation to date will show that some 129 investigations resulted in 17 actions by the President, 15 of which occurred prior to 1962 and the other two in recent months. Three actions are currently in effect (on certain carpets, sheet glass, and pianos).

Except for annual reports under the review procedures, the only reports now pending are those on the investigations concerning barber chairs and umbrellas.

Investment Centre seeks information

The International Centre for Settlement of Investment Disputes is requesting information from investors who have utilized the Convention under which the Centre operates. A growing number of American and other international investors have included references to the Convention in their investment contracts.

The Convention on the Settlement of Investment Disputes, to which more than 50 countries are parties, seeks to encourage foreign private investment for economic development—by facilitating both the settlement of existing legal disputes and the formulation of the disputes clauses of investment agreements.

The Convention does not require that instruments referring to it be communicated to the Centre in advance of the submission of a particular dispute; thus, the Centre does not have specific data on all such contracts.

Information about the conclusion and nature of such agreements would be most useful, particularly as a guide in formulation and refinement of additional model consent clauses. Thus, the Centre requests as complete information as investors desire to give about the relevant instruments. Such information will be treated confidentially, the Centre says, if it is so notified.

Write: Aron Broches, Secretary-General, International Centre for Settlement of Investment Disputes, 1818 H St. NW., Washington, D.C. 20433.

XUM

Variety of specialized missions scheduled by Commerce Department to sell abroad in first half '70

Six groups set for spring season—as many as were organized in all of 1969; each represents different range of products

A record season is under way for the Commerce Department's specialized trade missions program.

Recruitment of six groups of businessmen—each group offering a compact range of related products or services—is being completed to promote sales abroad during the first half of this year.

One group, the first for 1970, has already returned to the United States; one was scheduled for departure Apr. 4, and the other four will be taking off soon—in April, May, and June.

A total of six such missions went overseas in all of 1969, after the program's inception late in 1968.

Each of the current missions represents a different specialization, briefly as follows: pumps and compressors, automotive maintenance, tourism and construction, data processing, food processing and packaging, and food services. Two are scheduled for Germany and one each for Italy, Yugoslavia, Southeast Asia, and Mexico.

Back from Italy

● Visiting Milan, Turin, Bologna, and Rome last month were six executives of U.S. firms manufacturing pumps, compressors, valves, and fluid power equipment. Reports from the participants have not yet been received by the Commerce Department—except that at the conclusion of the mission, several of the members returned to Milan to continue with unfinished business initiated during their stay.

Firms participating in the mission were: Avco Lycoming Division, Stratford, Conn.; Cabot Piping Systems, Louisville, Ky.; Deublin Co., Northbrook, Ill.; General Connectors Corp., Burbank, Calif.; Greenlee Tool Co., Rockford, Ill.; and Nash International Co., South Norwalk, Conn. J. Raymond DePaulo, Director of the Commerce Department's Charleston, W. Va., Field Office, directed the mission.

● Scheduled to arrive in Germany Apr. 4, an automotive maintenance and servicing equipment mission will be spurring sales in Duesseldorf, Frankfurt, Stuttgart, and Munich through Apr. 18. Led by William Clarke of the Commerce Department's Bureau of International Commerce, the mission is comprised of representatives of the following four companies:

International Kwik-Way, Cedar Rapids, Iowa; Arrow Laboratories, Inc., White Plains, N.Y.; Ernest Holmes Export Corp., New York, and Drake America Corp., New York.

Among last year's specialized missions was an automotive industry group that went to several Scandinavian countries in April. The participants reported immediate sales totaling more than $500,000; four agents were appointed.

Tourism to Yugoslavia a second

● Leaving for Yugoslavia on Apr. 15, a tourism and construction equipment mission is planned for Dubrovnik, Budva, Split, and Zagreb. Up-to-date market research and reports from a similar specialized mission that visited Yugoslavia last November point to a variety of untapped trade opportunities there. The November mission estimated that business resulting from its two-week tour would reach $1.48 million in the next 12 months.

Firms to be represented on the April mission are: Leo Kramer International, Ltd., Washington, D.C.; Gibson International Co., Greenville, Mich.; AMF International Division of American Machine & Foundry Co., New York; Airtemp Division of Chrysler Corp., Dayton, Ohio; Michael I. Levine International, Inc., Freeport, N.Y.; F. B. Peterson Industries, Inc., Jacksonville; W. M. Cissell Manufacturing Co., Louisville; American Laundry Machinery Industries Division of McGraw Edison Co., Cincinnati; McGraw-Edison Co., Elgin, Ill., and Honeywell, Inc., Minneapolis.

Irwin Fine, Director of the Commerce Department's International Organizations Staff, will serve as director of the second tourism mission to Yugoslavia.

Mission/seminar

● The first in a series of joint trade missions/seminars is to begin in Southeast Asia Apr. 29, when several manufacturers of data processing equipment will be promoting U.S. exports in Taipei, Djakarta, and Singapore. At each of the three stops, a two-day seminar is scheduled, during which U.S. industry officials will discuss EDP products and services. A third day will be devoted to following up sales leads in the area. The business group expects to wind up its activities on May 9.

Four companies will be participating in the mission/seminar: Univac, Blue Bell, Pa.; International Data Applications, Montgomeryville, Pa.; Page Communications Engineers, Inc., Washington, D.C., and IBM World Trade Asia Corp., Hong Kong. Werner Frank, Informatics, Bethesda, Md., will be the seminar director.

A data processing show at the U.S. Trade Center in Bangkok last June set the Center's record—$6 million—for projected first-year orders. Twenty-two firms' exhibits attracted 722 qualified buyers; floor sales of about $180,000 were recorded.

Service industries to Germany

● Next to depart will be a service industries mission that will visit Berlin, Frankfurt, and Munich May 4-16. Companies tentatively expecting to participate are: Dunkin' Donuts, Quincy, Mass.; United Rent-All, Los Angeles; Master Host International, Beverly Hills; Kentucky Fried Chicken, Louisville; and Diaper Service Association, Washington, D.C.

● The last of the first-half '70 specialized missions to go abroad will be a group of U.S. suppliers of food processing and packaging machinery. Led by William A. Rafferty of the Bureau of International Commerce, eight businessmen will be seeking customers in Guadalajara, Monterrey, and Mexico City June 22-30.

The mission probably will be comprised of representatives of the following firms: Bettendorf-Stanford Bakery Equipment Co., Salem, Ill.; Woodman Co., Decatur, Ga.; Wohl Associates, Inc., Oceanside, N.Y.; Kuhl Intercontinental, Inc., Flemington, N.J.; Barbecue King, Inc., Greenville, S.C.; Girton Manufacturing Co., Millville, Pa.; Geo. J. Meyer Mfg., Union, N.J., and Doughboy Industries, Inc., New Richmond, Wis.

Final reports from each of the missions are to be presented in forthcoming issues of INTERNATIONAL COMMERCE.

FLORIDA SUPPLIERS exhibited products at Caribbean ports recently. Above, Alfred Leyer of Tampa discusses agency with Jamaican businessman. Below, Robert Korelitz, Miami, describes his outdoor grill.

ALSO AT JAMAICAN PORT, left (below), Fred Temple of Ft. Lauderdale completes a sale. And right, Richard Warner, president of Vapor Products, Orlando, describes his product to prospective customer.

Florida floating fair reports good results in Caribbean area

Concluding nine-day exhibition, suppliers appointed 40 agents

A floating trade fair launched by the Florida State Department of Commerce earlier this year anchored almost $300,000 worth of business and some 40 new agents and distributors during its nine-day exhibition in the Caribbean area.

In addition, the participants expect to take in $1 million in new business within the next 12 months. And they brought back opportunities for a variety of the State's products not included in the shows, according to the group's leader, Richard F. Lankenau, of the sponsoring organization.

About 30 Florida manufacturers and their exhibits—aboard the cruise ship Sunward, docked at Haiti, Aruba, Curacao, and Jamaica. Products exhibited consisted chiefly of building and construction materials, pleasure boats, aquatic sports equipment, and hotel and restaurant equipment. A two-bedroom furnished mobile home also was displayed.

More than a thousand persons, representing local government, manufacturing, trade, and general business interests, visited the exhibition. It was not open to the public.

This was the third ship-borne trade fair to be organized by the Florida Department of Commerce. In recognition of the success of this method of marketing, the sponsors say they are planning additional floating exhibitions.

XUM

Japan drops quotas on 11 items, partly on three others

Japan has removed import quota restrictions on 11 items, and partially liberalized three others, effective Apr. 1.

The 11 items, listed according to Brussels Tariff Nomenclature (BTN) categories, are: dried dates (08.01); coffee (09.01); powdered fruits (11.04); gluten and gluten flour (11.09); preparations of cod and herring roe (16.04); malt sugar, sorbose and other chemically pure sugars (29.43); fruit flavors containing fruit juices (33.04); steam generating boilers (84.01); machine tools (84.45); crank shafts (84.63); and electric generators (85.01).

The partially liberalized items are: meal of whale meat (fish meal still subject to quota restrictions) (23.01); preparations of penicillin or streptomycin (preparations of 3 antibiotics still subject to quota restrictions) (30.03); movie color film (other color film still subject to quota restrictions) (37.02).

Some of the items listed in the group of 11 had been partially liberalized prior to Apr. 1, and the recent Government action removes remaining restrictions on those items. For example, most new machine tools had been liberalized earlier; those liberalized on Apr. 1 are certain new planers and plano-millers and used machine tools. Steam generating boilers liberalized are those over 1,300 tons per hour capacity and electric generators are those over 400,000 kilowatts; others were previously liberalized.

The items liberalized on Apr. 1 are part of a list of 55 import items which the Japanese Government had announced last October would be liberalized by the end of 1971. The complete list was published in INTERNATIONAL COMMERCE of Nov. 3, 1969. Five additional items have now been added to the October list and will be liberalized before 1972. These items are: grain sorghums (10.07); sausages (16.01); unroasted iron pyrites (25.02); soda ash (28.42); and sodium glutamate (29.23).

Deletion of 11 four-digit BTN items from Japan's Import Quota (IQ) list reduces the list of quota items, which the Japanese Government recognizes are inconsistent with its obligations under the General Agreement on Tariffs and Trade (GATT), to 98 4-digit numbers. Nine items had been previously eliminated from the IQ list effective Feb. 14 (see INTERNATIONAL COMMERCE of March 9).

Japan has thus liberalized 20, or one-third, of the revised October list of 60 items scheduled for liberalization by the end of 1971. The Japanese Ministers concerned with trade liberalization agreed, on March 27, that at least another third would be liberalized by the end of 1970.

U. of Michigan seminar seeks to develop leaders for multinational business

The University of Michigan's Institute for International Commerce will hold a two-day seminar and workshop designed to develop leaders for worldwide business enterprises.

To be held Apr. 30-May 1 at the Sheraton Ann Arbor Inn, the seminar will deal with: the concept of the multinational firm; the international investment decision; pros and cons of international marketing strategies; dealing with host governments; multinational business organization; and, planning and control of multinational operations. Attendance will be limited.

Write: Dr. James D. Goodnow, Institute for International Commerce, Graduate School of Business Administration, University of Michigan, Ann Arbor, Mich. 48104 (313-763-1387).

ASIE to hold May 23 foreign trade exams in 29 cities

Career foreign trade examinations in nine specialized exporting fields have been scheduled for 29 U.S. cities on May 23.

The exams, to be administered by the American Society of International Executives, will be offered in the following categories: Certified Documentary Specialist (CDS); Certified International Executive (CIE)—Export Management; Qualified International Executive (QIE)—Export Management; CIE and QIE—Traffic Management; CIE and QIE—Forwarding; CIE and QIE—Air Forwarding.

Exam sites are: Atlanta, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Dallas, Denver, Detroit, Houston, Indianapolis, Kansas City, Los Angeles, Miami, Milwaukee, Minneapolis, New York, Philadelphia, Pittsburgh, Portland (Ore.), Richmond, Rochester, St. Louis, San Francisco, Seattle, Toledo, Washington, D.C. and San Juan, Puerto Rico. Tests can often be arranged in the applicants own city if none of the scheduled locations are satisfactory.

For study materials, **write:** American Society of International Executives (ASIE), Secretarial Suite, Sheraton Hotel, Philadelphia, Pa. 19103.

AMA views Mexican business outlook

Apr. 27-29 seminar will cover high spots, pitfalls of economy

An orientation seminar on Doing Business In and With Mexico will be offered at the American Management Association's New York headquarters Apr. 27-29.

The AMA cites at least four good reasons for taking a close look at the Mexican business scene:

- Rapid industrial growth within a framework of economic stability, creating need for imported capital goods, materials, and money;
- A favorable climate for foreign investment, and for companies which use Mexico as their Latin export base;
- A booming market for consumer goods;
- A stable and convertible currency.

However, the AMA says that a closer look at Mexico's business climate reveals other factors which can complicate investments—such as the controversial new labor law which threatens a sharp increase in labor costs and government price controls; or proposed U.S. Federal legislation to toughen tariff regulations for U.S. reimports, possibly jeopardizing U.S. investment in Mexico's northern border industries; and stiff lower-price competition from local and LAFTA concerns, as well as from European and Japanese companies.

These and other topics will be treated by top level U.S. and Mexican businessmen, all of whom are currently operating in Mexico.

Write: American Management Assn., AMA Bldg., 135 West 50th. St., New York, N.Y. 10020.

Germany to buy beans

The German Government has opened an import quota for canned cut wax beans from a number of countries, including the United States, according to the *Bundesanzeiger* No. 40 of Feb. 27. Applications for import licenses will be accepted from now until the value limit is reached, but not later than Sept. 29. Import licenses will be valid until Sept. 30. For previous announcement see INTERNATIONAL COMMERCE of Sept. 29, 1969.

United States overseas

U.S. firms interested in entering exporting for the first time or seeking to expand overseas markets, will find assistance in the columns below listing details of future U.S. overseas activities.

Sales opportunities in nine U.S. commercial exhibitions, trade fairs and solo exhibitions around the world, one specialized foreign trade mission and 20 shows at the eight U.S. Trade Centers are being offered to present and potential U.S. exporters between now and Nov. 20, 1970. The shows and fairs are planned after market research indicates a demand for a particular category of products.

Currently, 16 upcoming Trade Center, trade fair and trade mission events are sold out.

Other opportunities of interest are America Weeks and the Sample Display Service. The latter is more fully described in a special notice accompanying this list. America Weeks displays are overseas retail sales promotions of U.S. consumer goods.

Of the 30 events in 11 nations and regions for which the Bureau of International Commerce is now seeking exhibitors, Italy, Japan and Germany will host five each, France will host four, the United Kingdom, Sweden, Thailand and Australia two each, and Canada and Taiwan one each.

Each Trade Center exhibition is limited to one particular line of products. Centers are located in London, Bangkok, Milan, Frankfurt, Stockholm, Sydney, Tokyo and Paris. (The Trade Center in Sydney will open June 29.)

For further information on the Trade Center shows described in this listing, or for more facts on U.S. exhibitions at overseas trade fairs, **write:** Commercial Exhibits Program, BIC-932, U.S. Department of Commerce, Washington, D.C. 20230.

Trade missions are groups of U.S. businessmen organized to travel abroad to promote the export of U.S. goods and services manufactured by their particular industry. Some are organized and financed by the U.S. Government, while others are originated and paid for by various U.S. industries with Government approval and assistance. For information **write:** Trade Missions Division, BIC-926, U.S. Department of Commerce, Washington, D.C. 20230.

The following calendar of upcoming American trade promotion activities is based on the latest data available. It appears regularly in the first issue of INTERNATIONAL COMMERCE each month.

METAL SURFACE TREATMENT EQUIPMENT AND SUPPLIES. Japan. Continued expansion of Japan's industry has generated an expanding demand for the most advanced metal surface treatment equipment and supplies. Japanese demand for metal surface treatment equipment totaled $83 million in 1968, half of which was for plating equipment. The majority of this equipment was used by the major firms in steel, automobile and electrical machinery industries. Based on the estimated annual increase in demand of 10%, consumption of metal surface treatment equipment is expected to total $111 million by 1971. The latest fully automatic plating equipment is expected to have strong demand as is electrostatic powder plating equipment and sonic cleaners and instruments for testing treated surfaces for the ability to withstand heat, moisture, compression and stress. Advanced treatment chemicals and paints are also in demand. For complete details call 202-967-5622. **Tokyo Trade Center May 18-23.**

CHROMATOGRAPHY AND SPECTROSCOPY EQUIPMENT. Italy. Italy's economy is one of Europe's strongest. Its chemicals, petrochemical and pharmaceutical industries are expanding at a fast pace. These and other sectors of the Italian economy, including the medical field, offer excellent sales opportunities for U.S. manufacturers of chromatography and spectroscopy equipment. The U.S. is already the largest foreign supplier of these products in Italy and buyers will continue to rely heavily on U.S. suppliers as they carry out plans to modernize the industries. For further market information on this show and for details on how to increase sales through this exhibit, call 202-967-3968. **Milan Trade Center, May 19-23.**

SERVO SYSTEMS AND COMPONENTS. Germany. A new look at the German market for precision mechanisms, positioning controls and systems components for the machine tool, aerospace and computer industries has uncovered numerous opportunities for American manufacturers of servomechanisms and related components. Germany's burgeoning economy and German industry's realization that labor shortages will continue to create greater demands for automation in industrial production point up the potential for these U.S. commodities. Specific items have been identified from market research and a target audience comprising purchasing agents, importers, and systems design engineers will be invited to attend this event. Inquiries should be directed to the Bureau of International Commerce, Code 938, U.S. Department of Commerce, Washington, D.C. 20230, or call 202-967-2425. **Frankfurt Trade Center. May 20-22.**

MARINE AND SHIPBUILDING EQUIPMENT. Germany. Germany and surrounding European countries offer excellent sales opportunities for U.S. manufacturers of marine and shipbuilding equipment. German shipbuilders and their clients, European ship owners, are looking for modern equipment which will increase production and automate ships' operations. German shipbuilders rank third in the world for production of seagoing vessels. Stiff competition both with Japan and within Europe requires the German shipbuilder to produce quality ships with the most modern equipment available. For further information call George Kemp, 202-967-3088. **Frankfurt Trade Center. June 8-12.**

CRYOGENIC AND VACUUM EQUIPMENT. United Kingdom. Stimulated by areospace technology, industrial and research applications for cryogenic and vacuum equipment have soared in the U.K. The strong market potential is evidenced

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promotions scheduled

by the user industries which include steel, chemical, petrochemical, electronics, food processing and gas supply industries and the many organizations engaged in research and development. The current U.K. market is estimated at between $35 and $50 million and an expected growth rate of 10% during the next several years is forecast. U.S. firms with new and advanced cryogenic and vacuum equipment should garner extensive sales in this mushrooming market. For further information call 202-967-4462. **London Trade Center. June 8-12.**

TRANSDUCER INSTRUMENTATION. Italy. Demand for transducers of every description is growing rapidly. Total sales are expected to top $2 million in 1969, and a 25% annual rise is forecast for the early 1970's. Interest in transducers comes from a variety of industries, with the greatest demands currently from the power, petrochemical, plastics, medical, and machine tool sectors. Trade sources also report excellent sales opportunities in Italy's expanding electronics, steel, communications, food processing and transportation industries. The largest market is reported to be for resistance, temperature, and pressure transducers. Call 202-967-2461. **Milan Trade Center. June 16-20.**

BUSINESS MACHINES AND OFFICE EQUIPMENT EXHIBITION/SEMINAR/TRADE MISSION. Thailand. Today Thailand offers significant opportunities for immediate and long-range sales of U.S.-manufactured business machines and office equipment. For the 10-year period ending in 1968, the market for these products showed an annual average increase of 25%. Total imports of office/business machines rose from $2.7 million in 1965 to $5.1 million in 1967, an increase of 88%. The U.S. share of the market is approximately 25%. The steady growth of the Thai economy, together with a stable political and business climate, has caused a rapid expansion and modernization of business service of all types. In addition to Bangkok Trade Center exhibition, a trade mission/seminar will travel to several Southeast Asian countries for the purpose of familiarizing Asian businessmen with the latest office management techniques, as well as allowing U.S. businessmen the opportunity to explore a potentially lucrative market. For additional information, call Edward Oliver, 202-967-5148. **Bangkok Trade Center. June 22-26.**

FOOD PROCESSING AND PACKAGING EQUIPMENT TRADE MISSION. Mexico. The outlook for sales of U.S. food processing and packaging equipment in Mexico is favorable. Imports account for about 70% of the Mexican market with the U.S. supplying $5.2 million of Mexico's total $8.6 million market for such equipment between January-August 1969. The proximity of U.S. manufacturers to Mexican buyers, permitting them to obtain rapid service and parts, is important to buyers. This mission will visit Mexico City, June 22-25; Guadalajara, June 26-28 and Monterrey, June 29-30. Information is available from Sam Cerrato, 202-967-5339. **Trade Mission to Mexico. June 22-30.**

COMPUTER DATA COMMUNICATIONS AND GRAPHIC DATA SYSTEMS/SEMINAR. Australia. Australian industrialists recognize that they must automate to compete in world markets. Thus, they are increasingly turning to the computer as a tool of managerial and production control. This development is creating a rapid expansion of the Australian computer/peripheral market. Presently there are about 1,000 computers installed in Australia, primarily in the manufacturing and commercial sectors. Only about a third of the top 800 Australian corporations have installed computers. It is estimated that the number of computer installations will be more than doubled in 1972. Recent market research concludes that Australia is ready for the newest and latest technology the United States has to offer in data communications and graphic equipment. The current Australian demand includes character recognition equipment, media converters, terminals, graphic data systems and other input and output devices. For more information and details on how you can participate in this important promotion which will inaugurate the eighth U.S. Trade Center, call 202-967-4047. **Sydney Trade Center. June 29-July 3.**

MATERIALS TESTING EQUIPMENT. Japan. Materials testing has begun to show impressive growth as well as shift in the types of equipment in demand. From 1966 to 1967, sales grew by 18% and this momentum is expected to continue as requirements increase for technologically superior metals, structures, etc. Market research has indicated that there is an opportunity for U.S. exporters in numerous categories of equipment, both dynamic and nondestructive, especially in such areas as: dynamic balancing machines, hardness testing machines, gear and thread measuring equipment, portable and fixed x-ray equipment and vibration testing equipment. For information call M. A. Shea, 202-967-4511. **Tokyo Trade Center. June 29-July 4.**

METAL PROCESSING EQUIPMENT AND SUPPLIES. Japan. The Japanese metal processing industries are among the more dynamic sectors of that country's economy. Japan's iron and steel industry is ranked third in world production and the aluminum industry is ranked fourth. The products shown in this exhibition will include instrumentation and controls, physical test equipment, special metals and alloys, powder metals and equipment, and industrial heating equipment. During the period 1966-1968, estimated purchases of instrumentation and controls, including testing equipment, increased from $24 million to $46 million, while purchases of industrial heating equipment rose from $48 million to $100 million. Future purchases of equipment are expected to steadily increase as production of crude steel is expected to reach a level of 112 million tons by 1973 compared with 67 million tons in 1968, while unwrought aluminum is expected to reach 1.4 million tons compared with a production of 478,000 tons in 1968. For detailed information concerning participation in this exhibition call Henry Watts, 202-967-4512. **Tokyo Trade Center. July 13-18.**

PRODUCTION EQUIPMENT AND MATERIALS FOR HYBRID CIRCUITS. Italy. Italy's booming electronics market, which will exceed $700 million in 1970, and extensive

spending to close the gap in latest circuit technology and production equipment, offer a lucrative market for U.S. manufacturers of production and test equipment, materials, and components for hybrid circuits. American products have an excellent reputation for both quality and dependability and account for a major share of the Italian electronics market, although European competition is increasing. This show is being held in conjunction with the Italian 7th International Exhibition of Electronic Components, Measuring Instruments and Accessories. More information is available from L. R. Thomas, call 202-967-5351. **Milan Trade Center. Sept. 5-11.**

AIRCARGO EQUIPMENT AND FORUM. Germany. American makers of air cargo handling equipment will have the opportunity to exhibit in the U.S. Department of Commerce-sponsored off-site Trade Center show at the Fifth International Forum for Air Cargo at Frankfurt in September. Rapid growth in air freight volume is putting pressure on airlines, freight handlers, shippers and airports to upgrade and expand cargo ground operations in Germany. Because increased capacity and efficiency in the air has not been followed by equal advancement on the ground, a number of new freight facilities at various German airports are currently under construction or in the final planning stage. The ten major airports in Germany are expected to invest over $250 million during the 1970-72 period. Featured in this exhibition at the Frankfurt Airport will be all equipment associated with loading and unloading aircraft, clearing airport congestion on the ground, weight surveillance, intermodal transfer, documentation and other handling equipment aligned with the Forum's theme of "Door-to-Door-Service". Firms wishing to participate in this event should contact Jack Whitely, 202-967-2425. **Frankfurt Airport, Off-site Frankfurt Trade Center Show. Sept. 15-18.**

INSTRUMENTS AND MATERIALS FOR THE PLASTICS INDUSTRIES. United Kingdom. Use of plastics in the U.K. is growing at an annual rate of 12%. The building industry is the largest consumer of plastics although it is being rapidly surpassed by the packaging industry. Additional markets within the U.K. for plastics materials and equipment are also developing, such as transportation and non-wovens. This exhibition, a first for the Department of Commerce in the U.K., coincides with an increasing need of the British plastics industry to modernize its production capacity. Labor saving improvements and equipment adaptable to specific U.K. manufacturers' requirements to speed up the finishing process are in special demand. For complete information about participation in this exhibition, telephone 202-967-3849. **London Trade Center. Sept. 21-25.**

ANALYTICAL INSTRUMENTATION. France. The French economy post devaluation continues to be strong. Output in 1969 is projected to rise 8.6% in real terms to $130 billion and imports will be up an amazing 23.6%. The French market for advanced analytical instrumentation amounted to $150 million in 1968 and enjoyed an average 8% per year increase over a period of the prior four years. The $2.5 billion spent on R&D in France in 1967 is expected to more than double by 1975. Particularly good market potential exists for chromatography, spectroscopy, thermal analysis, gas analysis and fluorescence instrumentation. For complete information on this exhibition call 202-967-3822. **Paris Trade Center. Sept. 22-26.**

PACKAGING EQUIPMENT, MACHINERY, MATERIALS. Japan. Economic forecasts predict Japan's GNP in fiscal 1969, ending March 31, 1970, will reach $173 billion with a real economic growth rate of 13%. Outlook is for a GNP of over $205 billion in fiscal 1970 with a continued high real economic growth rate of 12-13%. Private equipment investments are expected to continue expanding at annual rates of between 17-22%. The sales of packaging machines in Japan have increased fourfold in the past seven years due to the expansion of the food industry and the mechanized packaging adopted in the cosmetics, pharmaceuticals and other industries, plus a manpower shortage and resulting increased labor costs. Demand for packaging machinery continues to rise, and a recent survey indicated that Japanese manufacturers will invest $3.9 million in packaging equipment in fiscal 1969. The value of Japanese imports of packaging machinery has grown at a steady pace of 20% annually, and the U.S. ranks first among the exporters of packaging machinery to Japan. For further information call 202-967-3974. **U.S. Commercial Exhibition, Tokyo-Pack '70, Tokyo International Packaging Exhibition, Tokyo. Sept. 22-28.**

PRODUCTION EQUIPMENT FOR THE ELECTRONICS INDUSTRY. Canada. The first commercial exhibition in Canada sponsored by the U.S. Department of Commerce will be held in the Queen Elizabeth Building on the Canadian National Exhibition Grounds. Canada is the largest market for U.S. exports, and the U.S. supplies about three-fourths of Canada's imports for general and electronic products. Continuing strong demand is anticipated for production equipment for the electronics industry, which is already a billion dollar market and expected to top three billion during the 1970's. U.S. manufacturers of electronics production equipment wishing to participate should call Wilbur L. Garges, 202-967-4653. **U.S. Solo Exhibition, Toronto. Sept. 28-Oct. 1.**

ENVIRONMENTAL TEST EQUIPMENT. Scandinavia. The present Scandinavian market for environmental test equipment is estimated at $7 million with demands expected to reach $10 million in the next several years. Many manufacturing firms, research laboratories, and engineering service firms are beginning to accelerate their equipment modernization programs in order to research, develop, and test new or improved products for highly competitive domestic and foreign markets. With most of the Nordic area's requirements met by imports, this show will offer U.S. manufacturers of test chambers and instruments, automatic control systems, data processing equipment, and peripheral devices an excellent chance to share in this growing market. **U.S. Trade Center for Scandinavia, Stockholm. Sept. 28-Oct. 3.**

CATERING EQUIPMENT, LAUNDRY EQUIPMENT AND HOTEL MAINTENANCE EQUIPMENT. France. Increasing competition for the tourist trade is forcing France to modernize its tourist facilities. The change in parities of the French franc and the German mark is providing a sharp stimulus to the French tourist industry, which is now gearing up to meet the expected influx of travelers. The French government is providing incentives in the form of low cost loans, tax advantages, and revised hotel standards to encourage improvements. At the same time, changing social and working conditions in France are creating a growing need for large volume, quick service feeding facilities. These conditions are causing a substantial expansion of the French market for equipment and supplies for hotels, restaurants and institutions. This expansion presents an excellent sales opportunity for U.S. manufacturers of equipment used by restaurants and hotels. The market is particularly good for food preparation and serving equipment, laundry equipment, and hotel maintenance equipment. U.S. firms can gain exposure and take advantage of the sales prospects offered by this growing market by participating in the U.S.-sponsored exhibition at the EQUIP'HOTEL trade fair.

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This is the largest show in France for the hotel, restaurant and catering industries. It attracts a large audience of hotel, restaurant, snackbar and cafe owners and operators; contractors, architects, and designers. Call 202-967-2885. **U.S. Commercial Exhibition, EQUIP'HOTEL. Paris. Oct. 8-19.**

AGRICULTURAL MACHINERY AND EQUIPMENT. Thailand. The key market in Thailand today is the $200 million market for agricultural machinery and equipment. This market is expected to grow 15-20% annually over the next 2-3 years. Sales potential has been identified for four-wheeled tractors of 40-50 hp, 50-70 hp and above 70 hp; two-wheeled tractors; tractor parts and accessories; disc plows and harrows; rotovators; seed distributors and seeders; hay and grass mowers; hullers and shellers; threshing machinery; land grading blades; stalk shredders; fertilizer distributors; hay balers; pumps and gasoline, diesel and gas/oil mixture engines for irrigation equipment; machine and hand-powered pesticide sprayers; poultry incubators; animal feed processing machinery; and selected rice milling equipment. For further details call Joseph A. Miller, 202-967-5281. **Bangkok Trade Center. Oct. 12-16.**

ELECTRONIC COMPUTERS AND PERIPHERAL EQUIPMENT. Japan. Electronic computer systems in Japan are increasing at a rate of more than 1,000 a year and are predicted to reach 10,000 installations by 1972. Despite large gains in domestic production, Japan continues to rely heavily on imported equipment to meet many of its demands. The U.S. is Japan's principal foreign supplier, last year exporting more than $91 million to this growing market. U.S. exports to Japan of electronic computers and peripheral equipment are expected to exceed $100 million this year. The first U.S. Solo Exhibition of this kind in Japan, the electronic computer and peripheral equipment show will be held at the International Trade Fair Center in the Harumi Pier area, just 10 minutes from downtown Tokyo. For detailed information concerning participation and the Japanese market for U.S. computers and peripheral equipment call 202-967-4511. **U.S. Electronic Computer and Peripheral Equipment Solo Exhibition. Tokyo. Oct. 12-17.**

PULP & PAPER PROCESSING AND CONVERSION. Italy. Italy's growing paper industry, which is striving to keep abreast of current technology and equipment, supplied over 3.4 million tons of paper and paperboard in 1969. Sharp increases in labor costs and other production costs are forcing the Italian paper industry to modernize and automate their production processes. Official estimates project that a total investment of $450 million will be spent by this industry during the 1970-72 period. Market research has confirmed a healthy demand for U.S. made process control instrumentation, accessory equipment for large paper machines, and chemicals for the paper industry. For marketing information on Italy's paper industry and facts on exhibiting in this promotion, contact Samuel S. Spaulding, U.S. Department of Commerce, BIC-944, Washington, D.C. 20230 (202-967-3968). **Milan Trade Center. Oct. 13-17.**

INDUSTRIAL ASSEMBLY EQUIPMENT. France. The estimated 1968 value of the French market for industrial assembly equipment was more than $117 million, and a recent market study conducted for the U.S. Department of Commerce predicts consumption will reach $150 million by 1971. U.S. firms currently hold an important share of French imports of assembly equipment and supplies. Sustained efforts to increase productivity are likely to generate excellent opportunities for further expanding U.S. exports. Because of the advanced technology of U.S. products there is often little competition. For information on how to participate, telephone 202-967-4961. **Paris Trade Center. Oct. 19-23.**

Sample Displays

A Sample Display Center is just what its name implies—a place to show samples of U.S. products.

U.S. firms without agents in the area may use any Center to present their products to prospective local agents and distributors.

Centers are supervised by U.S. commercial officers at the embassies in the host countries. U.S. products and descriptive literature may be displayed without charge for 30 days.

For information on the Centers in Bangkok, Beirut, and Nairobi, write: Sample Displays, BIC-918, Department of Commerce, Washington, D.C. 20230.

For the Sample Displays at Addis Ababa and Hong Kong, write to the Commercial Attache at the American Embassy in Addis Ababa and the Consulate General in Hong Kong.

BIOCHEMICAL TEST AND CONTROL EQUIPMENT. Australia. The second major trade promotion event to be held at the new U.S. Trade Center in Sydney will feature both an equipment exhibition and technical seminar. Australia's buoyant economy has made it the second largest market for U.S. exports in the Far East and all economic indicators point to continued growth. Biochemical equipment having application in the medical and clinical fields as well as for industrial use will be promoted and U.S. firms will find receptive buyers. Expansion of industries utilizing this type of equipment, continued Government financial support for research and development in universities and Government agencies, an awareness of growing environmental problems and the obvious need for control and treatment of air and water pollution, and large expenditures for new hospitals, clinics, and laboratory facilities combine to make sales prospects particularly bright for U.S. products. For additional details or to reserve space call 202-967-4056. **Sydney Trade Center. Nov. 2-6.**

INDUSTRIAL AND SCIENTIFIC TEMPERATURE MEASUREMENT AND CONTROL EQUIPMENT. Scandinavia. The prime audience for this exhibition will be all scientific and research laboratories, the basic metals, pulp and paper, chemical, ceramics, glass and other industries concerned with the measurement and control of temperature during industrial processes. In Sweden alone, there are over 300 major companies and 30 independant research institutes using the type of equipment. Sales of many types of this equipment are increasing by over 20% a year; much of it is imported, and U.S. firms enjoy good reputations for the excellence of their equipment. Products which may be exhibited include: pyrometers and thermometers; thermocouples, transducers and other sensors; amplifiers, recorders and analyzers, breakdown and alarm systems, data-loggers and process control computers; analog computers; infra-red equipment; control valves and servo-mechanisms; electric furnaces, ovens, induction and dielectric heaters, as well as controls and components; atmosphere generators, and other related equipment.

The market for industrial process controls in Sweden was estimated at $35 million in 1969, and about 25% of this equipment was for temperature measurement and control. In a survey, 134 companies indicated that within the next five years, they would spend $330 million for process control instrumentation and $23 million for on-line computers. Most of this equipment is being imported. For more information on this market and about participation in the exhibition, telephone John R. Crown II, 202-967-4421. **U.S. Trade Center for Scandinavia, Stockholm. Nov. 2-7.**

ELECTRONICA '70. Germany. In response to many industry inquiries, and as a result of extensive market research, the Department of Commerce will sponsor an exhibition in this European event. The outlook for electronic components and production equipment products is extremely favorable. Contact Harold Bromel, 202-967-4073. **U.S. Commercial Exhibition, ELECTRONICA '70. Munich. Nov. 5-11.**

PACKAGING MACHINERY AND MATERIALS. France. The International Packaging Exhibition, Emballage '70, is one of the principal European trade fairs for the packaging industry. The French market for packaging machinery has been expanding about 10% annually, and in 1968 France imported $24 million in packaging machinery. Sales opportunities for U.S. suppliers of packaging equipment are developing as France modernizes its packaging industry. The need for better packaging in France is prompted by the expansion of self-service merchandising, and the integration of the Common Market economies which allows France to export more food products to her EEC partners. The International Packaging Exhibition in Paris is a biennial event which attracts a large audience of potential buyers interested in seeing the latest developments. The U.S. Department of Commerce sponsored a successful exhibition at this event in 1966. The 35 U.S. exhibitors reported sales of $2.3 million and 23 agency agreements as a result of that promotion. For further information on the market and participation in the exhibition telephone John Wolf, 202-967-3822. **U.S. Commercial Exhibition, Emballage '70, Paris. Nov. 9-15.**

OCEANOLOGY EQUIPMENT AND INSTRUMENTATION: Germany. Research indicates that more than $115 million in public funds alone will be expended during the next few years in Germany on oceanology. The increasing number of scientists and technicians, an expansion of shore facilities, an increased number of research ships, the establishment of the German Commission of Oceanology, the participation of Germany in countless international organizations, the growing cooperation between governmental, academic, and private industrial sectors, and a booming economy are some of the reasons why the future development of oceanology in Germany appears favorable. For additional information and details on how to participate in this important international event, call Andre Williams, 202-967-2425. **U.S. Commercial Exhibition, Interocean-70. Dusseldorf. Nov. 10-15.**

EQUIPMENT FOR BUSINESS AND INDUSTRY. Taiwan. Paced by a dynamic manufacturing sector, Taiwan's economy continues to experience rapid growth. The nation's gross national product during 1968 increased by 10.3% in real terms over 1967 with an expected similar growth rate during 1969. The industrial sector has averaged an annual rate of increase of about 18%. Chinese businessmen and Government officials recognize the need to achieve higher quality standards of production in order to effectively compete in foreign markets. Diversification into an increasingly wide range of sophisticated semi-finished and finished products is not only occurring, but finding their way into new geographic areas. Concurrent with this change in export product mix is a rapidly growing need for imports of advanced production equipment. This will be the second commercial exhibition in Taiwan sponsored by the U.S. Department of Commerce. Based on Market research conducted in Taiwan, the exhibition will feature equipment for the metalworking, food processing and packaging, construction, and plastic fabricating industries; test, measuring, and quality control instruments; and office equipment. In addition, other product lines identified as having good sales possibilities in Taiwan that will be exhibited include equipment for the chemical, textile, electrical and electronic industries; heating, ventilation and air conditioning equipment; and power hand tools. For further information contact Don Schmadel, 202-967-5286. **Equipment for Business and Industry. U.S. Commercial Exhibitions. Taiwan. Nov. 16-21.**

COMPUTER TERMINALS AND PERIPHERAL EQUIPMENT. Italy. As Italy's economy continues to expand, its businessmen are pushing plant modernization in an effort to rationalize industrial operations. As a result it is expected that demand for real-time terminals and other peripheral equipment in Italy will greatly expand over the next few years. By 1972 there should be some 25,000 terminals in use in Italy. The Biennial International Instrumentation and Automation Exhibition, BIAS, is Italy's most important show in the field of instrumentation and automation equipment. In 1968, when the last event was held, BIAS' 658 exhibitors attracted 54,250 visitors including 9,765 from outside Italy. For detailed information concerning participation and the current market for computer terminals and peripheral equipment call 202-967-4508. **U.S. Commercial Exhibition, BIAS, Milan. Nov. 20-26.**

Space fully booked The following shows, in which all available exhibit space has been reserved, are still open for visits by interested representatives of the industries involved. U.S. firms with sales representatives or distributors in the area of any of the listed Trade Centers and exhibitions can ask these local businessmen to visit the shows to see the 'state of the art' in each particular field.

PULP AND PAPER EQUIPMENT. United Kingdom. The United Kingdom is unique in the pulp and paper industry. It is the largest producer-consumer in Western Europe, and, the world's largest importer of wood pulp and pulpwood. More efficient and profitable operational systems and equipment are being sought from U.S. manufacturers. **London Trade Center. Apr. 6-10.**

MATERIALS HANDLING EQUIPMENT AND COMPONENTS, Scandinavia. The Scandinavian countries comprise an estimated $300 million market for materials handling equipment with imports supplying about one-third of the requirements. Sweden alone represents a $150 million market and accounts for nearly half of all imports. This show is expected to benefit from a meeting of the Swedish Materials Handling Society, with over 900 members throughout Scandinavia, to be held in Stockholm at the same time. **U.S. Trade Center for Scandinavia. Stockholm. Apr. 13-18.**

HI-FI AND STEREO EQUIPMENT EXHIBIT. Germany. Since German sound enthusiasts are increasing in number and are becoming more sophisticated, their quest for better sound reproduction offers new opportunities for U.S. manufacturers

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of hi-fi and stereo equipment. The U.S. share of this market now exceeds $10 million and as market indicators show, demand will continue at a high level. **Frankfurt Trade Center. Apr. 14-19.**

MEAT, FISH, POULTRY PROCESSING EQUIPMENT, SUPPLIES. Italy. Italy has one of the Common Market's most rapidly expanding meat processing industries. Demand for advanced equipment has increased greatly in the past decade and the market is expected to grow by 50% during the next five years. These developments reflect Italy's constantly improving standard of living and are a direct result of the Italian consumer's growing demand for better processed and canned meat, fish and fowl. **Milan Trade Center. Apr. 14-25.**

TOURISM AND CONSTRUCTION TRADE MISSION. Yugoslavia. Following the success of a November 1969 specialized trade mission to Yugoslavia featuring representatives from the tourist industry, a follow-up mission in April has been formed. The mission will visit major tourist centers as well as the Zagreb Spring Fair, where members will be able to meet over 200 buyers of the Yugoslav tourist industry. **Trade Mission to Yugoslavia. Apr. 15-25.**

HANOVER AIR SHOW, Germany. The specialists of the aircraft and aircraft components fields will be present at the Hanover Air Show in 1970, the second largest air show in the world and held every two years. The growth of the German aero industry centers around both military and civilian expansion. **German Aviation Show. Hanover 1970. Apr. 24-May 3.**

DATA PROCESSING TRADE MISSION/SEMINAR TO SOUTHEAST ASIA. The use of computers, only a few years ago almost exclusively limited to government and education, is now increasing rapidly in Southeast Asia. Today, Asian businessmen and industrialists are looking to the field of computer science for assistance in solving management problems ranging from production and inventory control through billing and payroll. Hardware, software and firmware are each finding growing demand throughout the area. **Southeast Asia Touring Data Processing Trade Mission/Seminar. Apr. 29-May 9.**

ADVANCED MEDICAL EQUIPMENT EXHIBITION. France. Sales of American made medical equipment to France are rising. Improvements in medical care are causing a growing demand for a wide range of items. The U.S. sold almost $5 million worth of medical equipment to France in 1968, up from $2.3 million in 1966. Prospects for greater sales are promising. The outlook is particularly good for specialized devices and recently developed equipment. **Paris Trade Center. May 11-15.**

PRINTING AND GRAPHIC ARTS EQUIPMENT. Mexico City, Mexico. Printing and graphic arts is one of Mexico's fastest growing industries and presently ranks as the fourth largest in the country. Current productivity amounts to about $272 million and forecasts call for this figure to triple by 1975. With the exception of some small machinery, there is virtually no manufacturing of printing and graphic arts equipment in Mexico. As a result, importation is required. **U.S. Solo Exhibition, Mexico City. May 11-15.**

ELECTRO-OPTIC APPLICATIONS. United Kingdom. Britain, along with Europe, is moving from the experimental to the application stage in electro-optics. Annual U.K. purchases are estimated at $2 million in mid-1969, and the volume of business in electro-optical equipment is expected to at least double within the next three years. Experts currently claim that European developments are five years behind the U.S. level of accomplishment, but with industry in Europe now looking at electro-optical devices as practical tools, this gap can be expected to close rapidly. **London Trade Center. May 11-15.**

INDUSTRIAL INSTRUMENTATION AND COMPUTERS. England. For the third consecutive time the U.S. Department of Commerce is mounting an exhibition within an exhibition at the London International Instruments, Electronics, and Automation Fair, one of the largest and most important shows of its kind which is staged biennially in the United Kingdom. **U.S. Commercial Exhibition, International Instruments, Electronics and Automation Fair (I.E.A.), London. May 11-16.**

OUTDOOR LIFE USA. Scandinavia. High per capita discretionary purchasing power in Scandinavia beckon U.S. firms manufacturing all types of recreational vehicles and related equipment. The show will feature light aircraft, small pleasure craft, snowmobiles, camper trailers, all-terrain vehicles, minibikes, above-ground swimming pools, etc. Also included will be equipment for hunting, fishing, water and winter sports. **U.S. Trade Center for Scandinavia, Stockholm. May 20-26.**

MEASURING AND TESTING EQUIPMENT. France. The U.S. Department of Commerce is sponsoring an exhibition at one of the most important trade fairs of its kind in Europe —MESUCORA. Scheduled in Paris, May 27 to June 4, 1970, MESUCORA is a triennial show featuring measuring, testing, controlling, regulating and automating equipment. The 1967 show drew 100,000 scientists, engineers, and corporate decision-makers from all over Europe. **U.S. Commercial Exhibition, MESUCORA, Paris. May 27-June 4.**

ADVANCED REPROGRAPHIC EQUIPMENT EXHIBITION. Scandinavia. Demands for microfilm systems, office copying and duplicating equipment, offset printing equipment, facsimile equipment (remote transmission), document processors, lithography equipment, automatic typewriters, blue printing equipment, plotters and related supplies are increasing. In 1968, the U.S. supplied 22%, $12 million, of the $55 million total market for this equipment, with Sweden consuming half the total. Nordic businesses, institutions and agencies are seeking new equipment to provide higher efficiency at a lower cost. **U.S. Trade Center for Scandinavia, Stockholm. June 10-16.**

MEASURING, RECORDING AND CONTROL INSTRUMENTATION FOR THE CHEMICAL INDUSTRY. Germany. The Department of Commerce will organize a U.S. exhibition of instrumentation for the chemical industry at ACHEMA 1970. The fair, held every three years, is regarded as the world's leading showplace for equipment for the chemical industry. **U.S. Commercial Exhibition, ACHEMA 1970—16th Chemical Engineering Exhibition and Congress, Frankfurt. June 17-24.**

PACKAGING MACHINERY AND MATERIALS. England. PAKEX '70, the London International Packaging Exhibition is one of the largest and most important specialized fairs of its kind to be staged in Europe in 1970. The total U.K. packaging machinery market increased from $59.5 million in 1966, to $64.5 million in 1968. On total imports valued at $24.9 million in 1968, the U.S. captured approximately $6.6 million of the total. **U.S. Commercial Exhibition, PAKEX '70, London, England. June 22-26.**

IDEAS FLOWED FREELY between U.S. and Spanish experts at the colloquium and specially called round-table workshop discussion at EXPO-MAQ '70 in Madrid.

Spanish say Sí to U.S. firms

Madrid food processing, cooling exhibition predicts $7 million in sales; draws 2,287 buyers

EXPO-MAQ '70, an all-U.S. show of air conditioning, refrigeration and food processing equipment in Madrid, brought 56 American companies together, resulting in almost $7.4 million in anticipated first year sales and 53 candidates for European representatives.

The exhibition also resulted in several information exchanges: through a two-day colloquium which attracted 2,355 industrial executives and Government officials, and a roundtable workshop requested by several Spanish officials and refrigeration specialists.

The Colloquium featured papers by 15 U.S. specialists. Strongest interest was in areas of refrigerated warehousing and in all facets of food processing.

The roundtable workshop, staged March 5 and chaired by the Commissioner General of the Spanish Food Supply Board, Garcia de Andoain, brought 11 Spanish commercial refrigeration specialists, other key government officials and seven American experts together swapping ideas and information.

On the sales floor, the Mar. 2-7 exhibition posted sales of $412,163 worth of goods. The Henry Penny Corp., Eaton, Ohio, not only sold all its exhibit materials the first day reporting immediate orders of $40,000, but also named an agent. A minimum of $150,000 in first year post show orders are anticipated for the pressure fryer and breading machine firm.

Of the 47 actual exhibitors at EXPO-MAQ, several were seeking long-term agreements for product representation; 15 were sought for Spain and 14 for Portugal. Four Spanish agents were contracted at the exhibition and negotiations with 37 candidates in Spain and 16 in Portugal were in progress as the show closed.

AUTOMATIC WRAPPING MACHINES by J. B. Dove, Inc., below, were part of the several food packaging devices on display at the March All-U.S. show. Dove was one of 56 companies exhibiting through 47 firms.

Trade visitors

The week-long exhibition, sponsored by the Department of Commerce, was visited by 2,789 trade representatives, including 74 businessmen from Portugal.

During a refrigeration exhibition in Madrid in 1966, 41 agents were signed. The show also recorded $4.4 million in first year sales following the event.

Sillcox Corp. of New York displayed products of eight U.S. manufacturers at EXPO-MAQ and reported significant business for each company. Arkla Air Conditioning, Sevansville, Ind., one of the Sillcox firms, confirmed a new distributor contract which will result in firm minimum orders of $60,000 for the first year and $80,000 for the second year.

Five American firms represented

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MARSH STENCIL MACHINE CO., left, included stencil cutters in their display. A Marsh representative, holding a cut stencil, is explaining his firm's equipment to Eugene McAuliffe, Deputy Chief of Mission with the American Embassy in Madrid, and Gracia de Andoain, Commissioner General of the Spanish Food Supply Board. On the right is a view of the Cincinnati Butchers' Supply Co. booth. The week-long promotion closed with $7.4 million in projected sales.

through European distributors and not seeking additional agents were so impressed with the market potential, quality of buyers and agent prospects available, that they are conducting negotiations with 11 candidates in Spain and five in Portugal.

Officials of five additional firms remained in Spain after EXPO-MAQ to visit plant representatives contacted during the exhibition who require new equipment to meet both expansion and new plant needs.

Show participants

Other exhibitors in the Madrid air conditioning, refrigeration and food processing show were: Airtemp Division, Chrysler Corp., Dayton; Allbright-Nell Co., Division of Chemetron Corp., Chicago; Allen Gauge & Tool Co., Famco Automatic Linker Division, Pittsburgh; Allen Quality Machinery, Division of Allen Fruit Co., Inc., Newberg, Ore.; Amana Refrigeration, Inc., Amana, Iowa; Automatic Radio International, Melrose, Mass.; Automatic Switch Co., Florham, N.J.; Barbecue King, Inc., Greenville, S.C.; Best & Donovan, Cincinnati; Booth, Inc., Carrollton, Tex.; Carrier International Ltd., Syracuse, N.Y.; Cryocool International Corp., Dallas; the Cincinnati Butchers' Supply Co., Cincinnati; J. B. Dove, Inc., Bluffton, Ind.; A. Epstein & Sons, Inc., Chicago.

Fedders Corp., Edison, N.J.; The Foxboro Co., Foxboro, Mass.; Frick Co., Waynesboro, Pa.; Globe Engineering Co., Chicago; Goodyear International Corp., Akron; Great Lakes Corp., Chicago; Honeywell Inc., Apparatus Controls Division, Minneapolis; Howe Corp., Chicago; Hupp Inc., International Division, Cleveland; Ladish Co., Tri-Clover Division, Chicago; Linker Machines, Inc., Newark, N.J.; Magnuson Engineers, Inc., San Jose, Calif.; Malaker Corp., High Bridge, N.J.; Marsh Stencil Machine Co., Belleville, Ill.; Mead Packaging International, Inc., Atlanta.

Owens Illinois International, Toledo; F. B. Pease Co., Rochester, N.Y.; J. C. Pitman & Sons Inc., Concord, N. H.; Queen Products Division, King-Seeley Thermos Co., Albert Lea, Minn.; Ranco International Division, Columbus, Ohio; Refrigwear Inc., Inwood, L.I.; Refrigerating Specialties Co., Broadway, Ill.; Rietz Manufacturing Co., Santa Rosa, Calif.; Stange Co., Chicago; Tecumseh Products Co., Tecumseh, Mich.; Therm-Air Manufacturing Co., Inc., York, Pa.; Westinghouse-Thermo King, Westinghouse Electric International Co., New York; Worthington-Climatrol, Climatrol Industries, Milwaukee; York International-Borg Warner Corp., York; Hollymatic Corp., Park Forest, Ill.

REGISTERING 2,287 visitors from Spain as well as Portugal was a monumental task for the exhibition staff. Pictured below is the main registration counter at the promotion's entrance. Seventy-four Portuguese attended. Fifteen representatives for Spain and 14 for Portugal were sought by the show participants.

First Commerce show in Denmark to feature printing, food equipment

Skilled labor shortage, increasing costs boost market for new machinery; buyers from seven-country area expected to attend

New sales opportunities in a seven-country marketing area will be opened up for American manufacturers of printing equipment and food processing and packaging machines in a major exhibition in Copenhagen, Nov. 17-22. This will be the first Commerce show in Denmark.

Buyers from throughout Scandinavia and from Belgium, Germany, and The Netherlands are expected in Denmark for the first U.S. sales event staged as part of the Department of Commerce's commercial exhibitions program.

Market studies by the Department's Bureau of International Commerce, which will stage the all-U.S. show, reveal that an acute shortage of skilled labor coupled with increased wage and production costs, has stimulated a swing toward industrial modernization and created a need for advanced printing and bookbinding equipment and food processing and packaging machines in these countries.

All longtime customers of the United States, the seven countries purchased a total of $18 million worth of printing and bookbinding equipment from U.S. firms in 1969, about 6.3% more than in 1968.

Printed material is an important export commodity in these countries. Belgium, for example, exports about 67% of its total book production. It is important, therefore, that printing houses remain competitive both in domestic and international markets.

In many European countries, as in the U.S., the offset printing process is replacing letterpress. Growing competition from television advertising has intensified efforts to improve the quality of mass-circulation printing and higher impact color reproduction in magazines and newspapers is being stressed.

Commerce studies pinpoint good sales prospects for U.S. printing and bookbinding equipment in the following categories: Advance printing presses; photo and computerized typesetting equipment; folders, collating and stitching machines; automated cutters and trimmers; process cameras; electronic scanners; specialized films and chemicals, and other advanced ancillary equipment.

A broad market for food processing and packaging machinery and equipment that is open to penetration by U.S. firms includes confectionery machinery; beverage equipment; dairy processing machines; meat processing equipment; packaging machines; refrigeration and freezing equipment, and vegetable and fruit processing machinery.

Total food and beverage production in Denmark in 1968 was valued at more than $1 billion. Investments in machinery amounted to $35.7 million, with imports accounting for $18.4 million.

The trend in Belgium is toward industrial mergers, especially among meat and dairy processing firms. Food processing and packaging equipment imported into Belgium in 1968 was estimated at $26.1 million. The U.S. share of the import market was about $1.3 million.

Germany has about 6,000 food processing firms. The market for food processing and packaging machinery in Germany in 1968 totaled $223 million and is expected to amount to $264 million by 1971. Imports accounted for about $34 million of total demand. U.S. firms supplied about $5.1 million worth.

Imports of food processing and packaging equipment into The Netherlands in 1968 amounted to $57.2 million and are expected to reach $67.3 million by 1971. The U.S. share of the 1968 import market was $4.2 million.

Sweden has about 1,750 food and dairy processing plants with an annual volume of approximately $2.4 billion.

More information on the Copenhagen show including an Exhibitors Export Market Guide, IMIS 70-7, may be obtained from the U.S. Department of Commerce, BIC-936, Washington, D.C. 20230 (202-967-4256), or from any of the Department's Field Offices.

Hairdressing fair set for September in Germany

From Sept. 13-15, the world championship of hairdressers will be staged with the international trade fair for hairdressers' equipment and supplies, and cosmetic preparations at the Killesberg Fairgrounds in Stuttgart, Federal Republic of Germany.

The fair, held biennially, was last staged in Vienna in 1968. Participation by international exhibitors may be direct or through European representatives. The deadline established for entering space applications is June 15.

Products for display include any type of hairdressers' equipment and supplies and the full range of cosmetics. U.S. manufacturers and exporters may find good markets for labor saving equipment as well as advanced and new-to-the-market cosmetic preparations.

Further data is available on this event from the trade fair's organizer: Stuttgarter Ausstellungs GmbH, 7000 Stuttgart-N, Am Kochenhof 16, P.O. Box 990, West Germany, or from their North American representative: Rudi Haussmann, 130 Willowdale Ave., Suite 3, Toronto-Willowdale 441, Ontario, Canada.

An official fair catalog and blank application forms are also available from the U.S. Department of Commerce, EBRD-930, Washington, D.C. 20007.

Intorgmash '71 planned for Moscow next spring

Intorgmash-71, an international exhibition of modern equipment for trade and public catering establishments is scheduled May 26-June 9, 1971, on the exhibition grounds in central Moscow.

Products which will be shown include refrigeration equipment, department store display devices, catering and vending supplies.

Additional information is available from: Department of International and Foreign Exhibitions in the USSR, Sokolnicheski Val 1a, Moscow 232, USSR.

Ship, machinery exhibition set for Germany in fall

Limited space is still available for Hamburg's International Ship and Machinery Exhibition scheduled Oct. 8-12 at the exhibition grounds Planten un Blomen.

An application deadline of Aug. 15 has been set, but fair authorities report that although space is now more than 80% sold, additional exhibit areas will be available if necessary.

Engines, all categories of marine equipment and accessories, and shipyard developments and techniques will be on display.

For additional information on this and other German shows, write: German-American Chamber of Commerce, 666 Fifth Ave., New York, N.Y. 10019.

XUM

CACM prospects mixed

Cautious optimism prevails; area weathering stormiest year since founding of unit

By J. M. VON STROEBEL
American Republics Division, BIC

Although the view of the Central American Common Market (CACM) from the beginning of 1969 seemed cloudy compared with the outlook a year before, the same view would have appeared bright compared with the situation early in 1970.

The summer of 1969 was unkind to the CACM, but familiarity with Central America will condition a detached observer to focus on the broader scene and the longer term.

Early in 1969 the CACM faced a crisis resulting from the fiscal and balance-of-payments problems of several members and the unilateral actions taken to correct them. The situation forced the issue on several long-standing problems and as a result the CACM emerged strengthened, with a number of pending treaties and protocols finally achieving full ratification or implementation. So as the summer began, the outlook was good.

A small incident sparked the misnamed "football war" between El Salvador and Honduras. The incident involved some rioting following an unpopular decision in a soccer game, but soccer disorders are not unusual in many countries in the world where the game is taken very seriously.

The causes of the conflict were much deeper, and extremely complex. They include the fact that for many years the excess population of small, crowded El Salvador has drifted into neighboring larger, less crowded Honduras. Part of the border is in dispute, and much of it is unmarked, in rugged, inaccessible country.

Certain resentments have developed over the years between segments of the immigrants and the native Hondurans. In

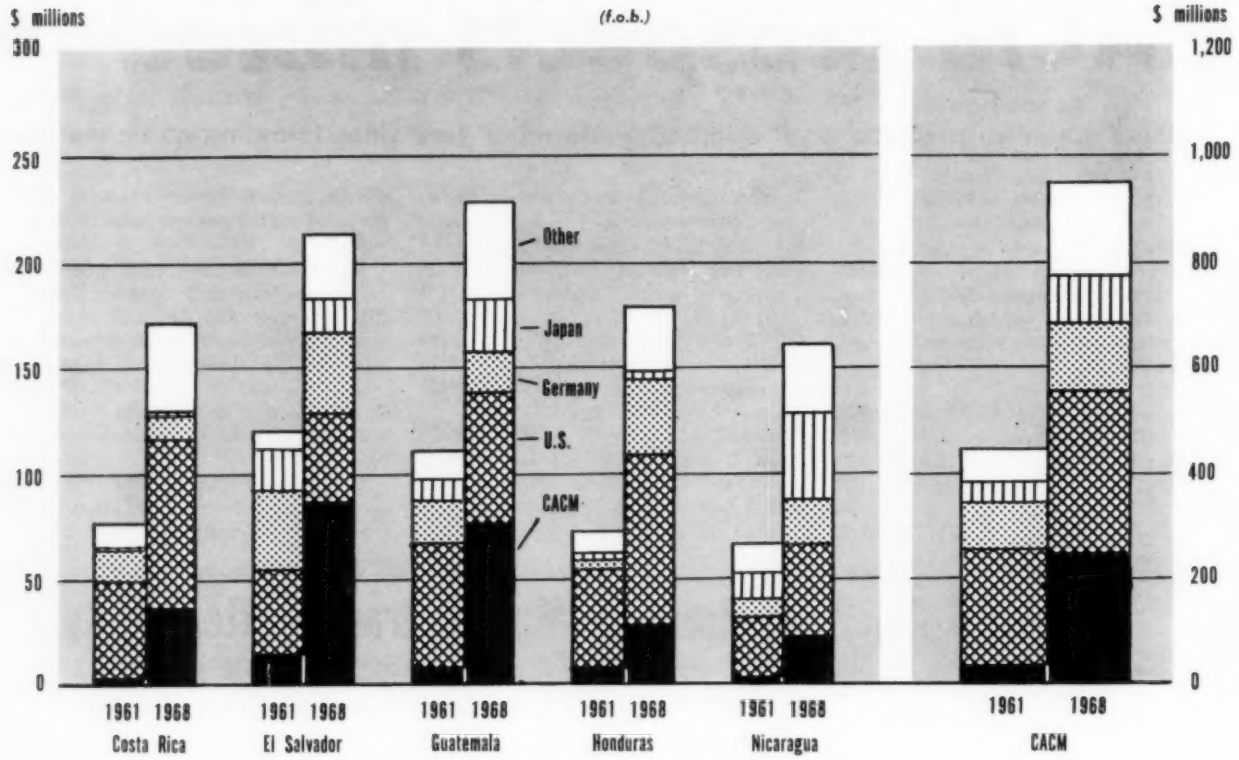
Central American Common Market trade patterns

1961 and 1968

	Costa Rica		El Salvador		Guatemala		Honduras		Nicaragua		Central America	
	1961	1968	1961	1968	1961	1968	1961	1968	1961	1968	1961	1968
IMPORTS (c.i.f. value millions of dollars)												
Total imports	107.2	213.9	108.7	214.1	133.6	255.7	72.0	184.7	74.4	184.6	495.9	1,053.0
From CACM	4.0	48.9	14.7	65.7	8.9	49.4	6.3	48.7	2.9	46.2	36.8	258.8
Costa Rica	—	—	0.6	9.0	0.9	8.0	0.1	6.5	0.5	14.2	2.1	37.7
El Salvador	1.6	16.0	—	—	6.8	30.8	4.6	23.2	1.4	14.9	14.4	84.9
Guatemala	1.1	15.8	6.8	35.8	—	—	1.5	14.2	0.9	13.0	10.3	78.8
Honduras	0.4	5.2	6.6	14.8	1.2	7.1	—	—	0.1	4.1	8.3	31.2
Nicaragua	0.9	11.8	0.7	7.1	0.1	3.5	0.1	4.7	—	—	1.8	27.1
From United States	49.9	80.7	42.6	61.8	63.4	101.6	37.5	84.6	36.3	69.6	229.7	398.3
From West Germany	11.6	16.4	10.6	13.4	14.7	25.9	4.5	8.3	6.1	11.2	47.5	75.2
From Japan	7.4	14.9	7.6	16.0	5.9	22.5	5.7	10.0	4.5	14.0	31.1	77.4
As % of total imports:												
Intra-CACM trade	3.7	22.9	13.5	30.7	6.7	19.3	8.8	26.4	3.9	25.0	7.4	24.6
From United States	46.5	37.7	39.2	28.9	47.5	39.7	52.1	45.8	48.8	37.7	46.3	37.8
As % of Extra-CACM imports:												
From United States	47.4	48.9	45.3	41.6	50.8	49.2	57.1	62.2	50.1	50.3	50.0	50.2
From West Germany	11.0	9.9	11.3	9.0	11.8	12.6	6.8	6.1	8.5	8.1	10.3	9.5
From Japan	7.0	9.0	8.1	10.8	4.7	10.9	8.7	7.4	6.3	10.1	6.8	9.7
EXPORTS (f.o.b. value millions of dollars)												
Total Exports	79.8	170.8	119.1	212.5	110.2	229.1	72.3	179.0	68.4	162.3	449.8	953.7
To countries of CACM	2.2	36.2	15.0	85.7	8.6	77.8	8.6	30.3	1.8	24.6	36.2	254.6
Costa Rica	—	—	1.5	16.6	0.8	15.8	0.3	5.3	0.9	11.0	3.5	48.7
El Salvador	0.7	8.6	—	—	6.2	34.8	6.2	13.8	0.7	5.7	13.8	62.9
Guatemala	0.9	8.0	7.7	30.8	—	—	2.1	7.1	0.1	3.5	10.8	49.4
Honduras	0.2	6.1	4.6	23.5	1.3	14.2	—	—	0.1	4.4	6.2	48.1
Nicaragua	0.4	13.5	1.3	14.9	0.3	13.0	0.1	4.2	—	—	2.1	45.5
To United States	45.2	79.2	40.2	41.4	58.8	61.2	47.5	78.7	30.9	44.6	222.6	305.1
To West Germany	17.1	10.5	36.2	41.4	19.4	20.0	3.9	33.4	8.2	17.8	84.9	123.1
To Japan	0.5	2.0	18.7	14.7	8.5	24.4	0.4	7.1	13.3	42.3	41.4	90.5
As % of total exports:												
Intra-CACM trade	2.8	21.2	12.6	40.3	7.8	34.0	11.9	16.9	2.6	15.2	8.0	26.7
To United States	56.6	46.4	33.8	19.5	53.4	26.7	65.7	44.0	45.2	27.5	49.5	32.0
As % of Extra-CACM exports:												
To United States	58.2	58.8	38.6	32.6	57.9	40.4	74.6	52.9	46.4	32.4	53.8	43.6
To Germany	22.0	7.8	34.9	32.6	19.1	13.2	6.1	22.5	12.3	12.9	20.5	17.6
To Japan	0.6	1.5	18.0	11.6	8.4	16.1	0.6	4.8	20.0	30.7	10.0	12.9

Figures may not add due to rounding.
Source: Indicadores Economicos Centroamericanos, SIECA, Guatemala, January 1970.

Value and destination of CACM exports



addition, Honduras, the least developed of the Central American countries, has felt that the Common Market has benefited the others more, perhaps even at the expense of Honduras. The soccer rioting was overplayed by the communications media in both countries, and the long smoldering resentments were quickly fanned into flames.

The war undoubtedly interrupted the development of the CACM. Diplomatic and trade relations still have not been restored between the two combatants and Honduras is continuing its blockade of Salvadoran products on its segment of the Inter-American Highway, the only overland route from El Salvador to the markets of Costa Rica and Nicaragua. The economy of the entire area has suffered a setback. Regional trade has been disrupted. The investment climate has been affected, at least for firms considering industrial investments which would depend on the whole CACM for a market. The effect could be felt for years because of the dislocation of economic factors and trade patterns, resulting fiscal problems, and the deep psychological scars, but there are reasons for optimism.

Getting back on the track toward full economic integration may be difficult. The process may be slow and the methods may be indirect or oblique. It will take time to heal the hatreds built by the extremism of propaganda during the conflict. However, the governments of all five countries officially and publicly support the common market, though some argue for structural changes, and most of the business community of all countries support it.

The economic growth of all five countries has been the result, to a great degree, of the development of the CACM, and most industries in the area depend on regional trade for survival. Without integration, the economic future of the whole area would be seriously jeopardized.

From a strictly organizational point of view, there is something to be said for some restructuring. The CACM developed over many years with a plethora of treaties and protocols, all requiring complex ratification procedures, resulting in long delays between conception and implementation of any agreement. The mechanisms to solve trade and other problems have been slow and awkward. If the CACM is simplified and restructured, based on the experiences of the past, it might well become a stronger, more vital regional organization.

A beginning has been made. In December 1969 representatives of all five countries met for the first time since the conflict to find ways of renewing CACM progress. A general timetable for future talks was established.

The economy of Costa Rica has grown steadily in recent years, with an annual GNP growth rate over 7%. Export earnings have been rising, especially because of bananas. Heavy rains late in 1969 set the crop back somewhat, but the outlook is excellent for continued expansion. Coffee and cotton earnings also have been increasing. Industry has been developing rapidly. Peaceful democratic elections were held in February 1970 and the new president will be inaugurated in May for a four year term. In 1970 Costa Rica was the bright spot of business confidence in the CACM, attracting heavy foreign investment.

The economic growth rate of El Salvador had slowed somewhat in 1968, after years of expansion, but had appeared to be recovering early in 1969. The coun-

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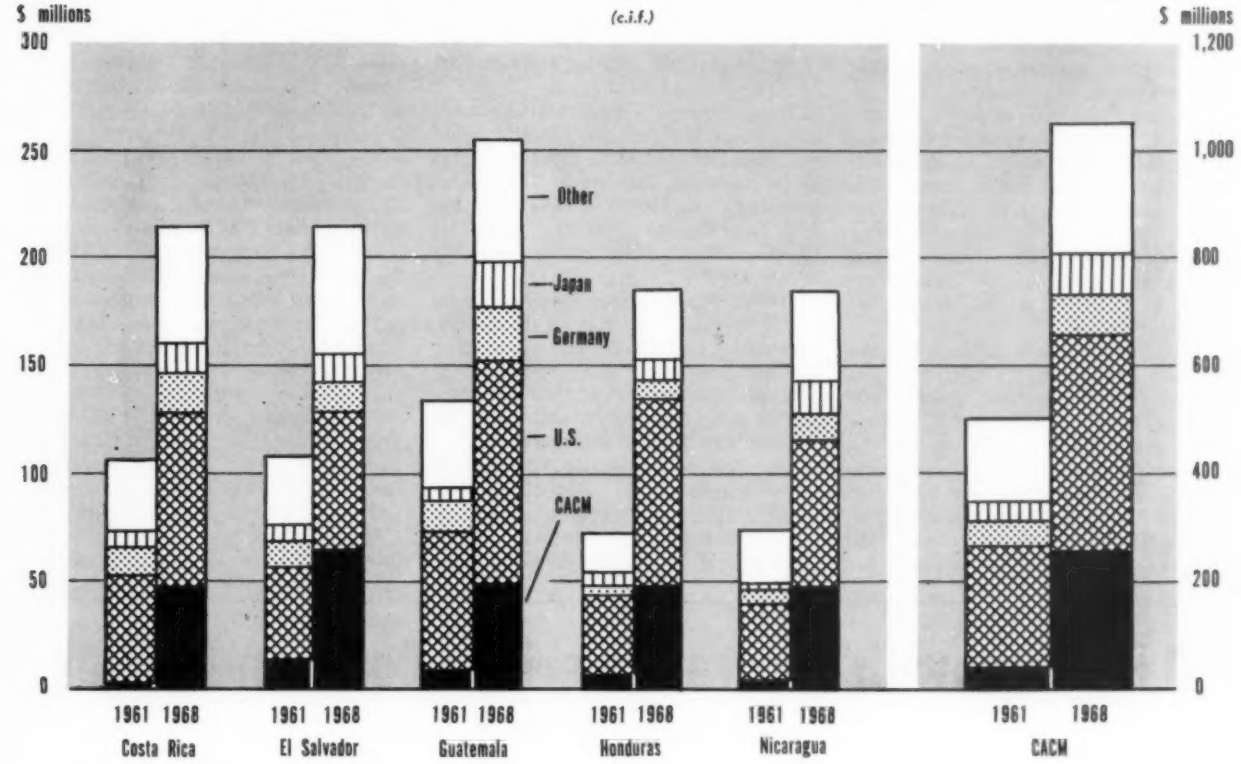
Value and sources of CACM imports



try has an export oriented economy, and although 90% of its agricultural and raw material exports go to the outside world, 90% of all other exports go to other CACM countries. In 1968 regional exports accounted for more than 40% of total exports, and exports to Honduras accounted for over 11%. Loss of the Honduran market and the use of the overland route to much of the rest of the CACM could be a blow to the economy, but El Salvador's export performance showed remarkable resilience. The country suffered economically from the war, but the effects may not have been quite as serious as at first expected.

The economic upturn in Guatemala began in 1968 and continued through 1969 into 1970. The country suffered heavy flooding late in 1969 which slowed it somewhat, but rapidly rising export earnings and industrial output have carried it on. Tight restraints have been maintained on deficit financing and monetary expansion, but increased government expenditures and increased investment have buoyed the economy and resulted in increased imports. The outlook is for both increased exports and imports in 1970. In spite of some terrorist attempts to disrupt the electoral process, Guatemala elected a new president in March 1970, to be inaugurated in July for a four-year term. There is some potential for political tension and terrorism, but the economic potential of the country continues to attract large investments.

The economy of Honduras grew notably in 1968, increasing GNP by 7%. During 1969 the country suffered two serious blows, the conflict with El Salvador and a devastating hurricane followed by widespread and repeated flooding. In spite of these, the GNP showed an increase of about 5.4% and is expected to do the same in 1970. The hurricane had a much greater immediate economic effect than the conflict, reducing export earnings for 1969 and 1970. The break in the CACM could have unfavorable long-term economic consequences for Honduras, but because it is less developed industrially than the others, at this stage it is not as dependent on regional trade. Honduras already has heavy foreign investments, and several large investments are being arranged to develop the countries natural resources.

Nicaragua's economic progress has been slow in the past several years, compared with previous years. Poor weather and agricultural pests have caused contraction in the agricultural sector and have reduced export earnings. The whole economy has been affected, causing fiscal strains for the government. Selective credit controls and new taxes have been imposed. Continuing investment, however, has helped carry the economy through this tough period.

Total CACM imports increased in dollar value by only 2.2% in 1968, compared with 10.7% in 1967, and perhaps only 0.5% in 1969. In 1968, Costa Rica, Guatemala and Honduras showed increased imports. Costa Rica and Guatemala also indicated increases in 1969, but only Costa Rica's was large, possibly 11%. Imports by both countries, however, should increase in 1970. In 1969 El Salvador's imports increased 3.2%—mostly petroleum. Both Honduras and Nicaragua indicated decreases of about 4 to 5%.

Regional imports, from other CACM countries, increased by about 21% in 1968. Intra-regional trade was continuing to increase during the first half of 1969,

but because of the conflict and resulting disruptions, it probably increased only 6% for the whole year.

As a percentage of total imports in 1968, intra-CACM imports increased considerably in all five countries, and in 1969, in spite of the problems, appeared at least to have maintained their levels, even increasing in Nicaragua to perhaps 30%. In intra-CACM trade, machinery, manufactures and chemicals continued to increase both in value and in share of the trade, while agricultural products decreased in share, although increasing somewhat in value. This trend appeared to have continued into 1969, and is expected to continue as the region's industries expand.

CACM imports from the United States decreased in value by 3.2% in 1968 and appeared to have decreased in 1969, both as an effect of the prolonged U.S. dock strike and the disruptions in Central America. As a percentage of total imports, the U.S. share decreased from 39.9% in 1967 to 37.8% in 1968, but as a percentage of extra-CACM imports, the U.S. share remained about the same, as it has for some years, at about 50.2%. The value of imports from the United States in 1968 increased considerably in Costa Rica and slightly in Guatemala, but decreased considerably in the other three. The U.S. share of extra-CACM imports increased in three countries, but decreased in Honduras and Nicaragua.

Imports from Germany also decreased slightly in 1968, but the German share of the extra-CACM market remained about the same. Imports by Costa Rica increased about 10.8% in 1968 and some 13% in 1969, and imports by Guatemala increased slightly, but imports by the others decreased.

Overall imports from Japan increased slightly in value and share of the market. Imports by Costa Rica decreased slightly in value and share, and imports by El Salvador decreased in value while increasing in share. Imports by the others increased both in value and share.

The dollar value of total CACM exports in 1968 increased by about 11.1% over 1967, but preliminary figures for 1969 indicate an increase of only about 3.4%. During 1968 the exports of each of the countries increased, but at varying rates: Costa Rica 18.8%, El Salvador 3%, Guatemala 15.8%, Honduras 15.6%, and Nicaragua 7%. During 1969, however, only two countries appeared to have registered increased exports, and by lower rates—Costa Rica 12% and Guatemala 10.8%. The others showed decreases—El Salvador 3.1%, Honduras 5.5%, and Nicaragua 2.2%.

The value of intra-regional exports of the five to each other increased by about 23.3% in 1968, but by a much lower rate in 1969. Intra-CACM exports increased from 24.1% of total exports in 1967 to 26.7% in 1968, with notable increases by each country in the regional share of total exports. From preliminary data, it appears that in 1969 the regional share of total exports decreased for all countries except Guatemala.

Central American exports to the United States in 1968 increased in value only slightly, by 1.5%. This was a reduction from 35% to 32% of total export value, and from 46.1% to 43.6% of extra-CACM exports. Exports of Costa Rica increased 15.5% in 1968, appeared to

U.S. trade with Central American Common Market

U.S. exports to CACM

	Millions of dollars			Percent of total		
	1961	1968	1969	1961	1968	1969
Machinery, non-electrical	28.7	34.3	69.2	13.7	9.4	19.6
Paper and paperboard	3.5	28.9	28.0	1.7	7.9	7.9
Chemicals, n.e.s.	21.2[1]	34.2	27.5	10.1	9.4	7.8
Road motor vehicles and parts	18.5	29.8	27.6	8.8	8.1	7.8
Wheat	6.5	16.6	14.1	3.1	4.5	4.0
Textile yarn, thread and fabrics	11.4	13.1	11.1	5.4	3.6	3.1
Medicinal and pharmaceutical products	6.8	9.8	9.8	3.2	2.7	2.8
Synthetic resins, regenerated cellulose and plastic materials	2.7	8.8	7.3	1.3	2.4	2.1
Fertilizers, manufactured	2.4	8.3	5.8	1.1	2.3	1.6
Insecticides, fungicides, and similar products	[2]	7.4	4.9	[2]	2.0	1.4
Petroleum products	5.8	6.5	5.8	2.8	1.8	1.6
Other commodities	102.7	168.0	142.2	48.8	45.9	40.3
Total exports, including reexports and special category	**$210.2**	**$365.8**	**$353.3**	**100.0**	**100.0**	**100.0**

[1] Includes insecticides. [2] Not comparable.

U.S. imports from CACM

	Millions of dollars			Percent of total		
	1961	1968	1969	1961	1968	1969
Bananas	35.4	99.8	111.0	17.7	29.1	30.2
Coffee, raw	104.5	104.2	98.5	52.2	30.4	26.8
Beef, fresh, chilled or frozen	10.3	43.5	54.7	5.1	12.7	14.9
Sugar	8.4	32.6	28.8	4.2	9.5	7.8
Shrimp	7.1	14.9	18.7	3.5	4.3	5.1
Other commodities	34.5	47.6	55.9	17.3	14.0	15.2
Total	**$200.2**	**$342.6**	**$367.6**	**100.0**	**100.0**	**100.0**

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Market Profile: Central American Common Market

(Unless indicated, latest year available)

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	All CACM Countries
Area (000's square miles)	19.6	8.3	42.0	43.0	54.0	166.9
Agricultural land	30%	51%	19%	38%	13%	24.8%
Population, mid-1968, millions	1.63	3.26	4.86	2.54	1.78	14.10
Urban population	34.5%	38.5%	33.6%	23.2%	40.9%	33.9%
Average annual population growth rate 1960-1967	4.47%	3.64%	3.27%	3.36%	3.35%	3.52%
Average life expectancy	63	60	49	46	54	53
Literacy rate	84%	48%	38%	45%	50%	48%
Percent of total labor force in agriculture	49%	60%	73%	66%	60%	64%
Motor vehicles registered 1969 (000's)	48.9	47.2	55.8	29.6	31.4	213.0
Installed electric generating capacity (000's kw)	240.5	171.7	144.2	90.7	156.0	803.1
Electric power, public utilities, 1969 (millions of kwh):						
Production	770.7	541.5	542.3	234.7	382.8	2,472.0
Consumption	678.1	467.6	426.6	180.9	304.1	2,057.3
Production of cement, 1968 (000's metric tons)	128.5	158.5	200.4	128.8	101.4	717.6
GNP, 1968* (millions of dollars, current prices)	743.8	919.6	1,551.0	627.7	700.1	4,542.2
GNP, 1968* (dollars per capita)	452.0	281.5	311.9	225.9	392.0	314.3
Total imports 1968, millions of dollars c.i.f. value	213.9	214.1	255.7	184.7	184.6	1,053.1
Total exports 1968, millions of dollars f.o.b. value	170.8	212.5	229.1	179.0	162.3	953.7
Currency, units per $1	6.65 Colones	2.50 Colones	1.00 Quetzal	2.00 Lempiras	7.00 Cordobas	1.00 C.A. Peso **

* Preliminary

** The Central American Peso does not exist as a currency, it is strictly an accounting unit.

have increased another 13% in 1969, and were expected to continue to increase considerably in 1970, largely because of bananas. Exports of El Salvador in 1968 decreased almost 25% and the U.S. share both of total and extra-CACM exports decreased considerably.

For Guatemala, the value of exports remained about the same, but the share of total and extra-CACM exports dropped somewhat. Honduras increased exports to the U.S. in value and share in 1968. Nicaragua's exports to the U.S. increased slightly in value and share of extra-CACM trade, but decreased in share of total exports.

The German market for CACM exports decreased in 1968 by 9.5% in value, and also decreased its share of extra-CACM exports.

In the case of Japan, CACM exports increased 7.2% but the share of extra-CACM exports remained the same. By country, the value of exports, as well as their share of extra-CACM trade, increased from Costa Rica, Guatemala, and Honduras, and decreased from El Salvador and Nicaragua, although Nicaragua remained by far the leading CACM supplier of Japan.

Based on U.S. data, the total value of U.S. exports to the CACM dropped 3.4% in 1969, after having shown an increase of only 2.5% in 1968. On a commodity basis, the value of exports in all major categories decreased slightly, except non-electrical machinery which increased greatly, by 102%. The value of U.S. imports from the CACM increased 14.4% in 1968 and 7.3% in 1969. Bananas displaced coffee as the most valuable import: beef and shrimp imports also increased.

The outlook for U.S. exporters to the

Intra-CACM regional trade

(Value of imports)

	Millions of dollars			% of total		
	1961	1968	1st half 1969	1961	1968	1st half 1969
Food products	14.6	55.6	25.6	39.7	21.5	20.2
Beverages and tobacco	0.9	2.8	1.1	2.4	1.1	0.9
Inedible raw materials	2.0	8.6	4.4	5.4	3.3	3.5
Fuels and lubricants	0.2	3.9	2.0	0.4	1.5	1.6
Fats and oils	1.7	7.2	3.3	4.6	2.8	2.6
Chemical products	3.5	42.5	20.6	9.5	16.4	16.2
Manufactures classed by materials	8.1	80.2	42.6	22.0	30.9	33.5
Machinery and transport equipment	1.3	12.8	6.4	3.5	4.9	5.0
Miscellaneous manufactures	4.4	44.4	20.8	12.0	17.1	16.4
Other	0.2	1.1	0.4	0.5	0.5	0.3
Total trade *	**$36.8**	**$259.2**	**$127.0**	**100.0**	**100.0**	**100.0**

* Figures may not add due to rounding.

CACM is mixed. It is discussed on a country-by-country basis in the following articles. Several general points, however, can be made. Although the value of U.S. exports has increased since the founding of the Common Market, the U.S. share of the total market has been reduced. That reduction has been the result of increased intra-CACM trade.

The United States has managed to maintain its share of the extra-CACM import market, but it appears to have done so largely because of U.S. investment in the area. U.S. investors have been responsible for a large portion of U.S. exports of machinery and equipment over the years. In addition, most of the growing regional trade is in manufactured articles, which include a large proportion of U.S. origin materials and components. The continuing demand for agricultural machinery and equipment, and equipment for infrastructural investments, also has helped the U.S. share, but part of this was based on U.S. government financing through AID and the like.

U.S. supplier faces change

The U.S. supplier now faces a changing situation. It is possible that intra-regional trade will grow at a somewhat slower pace until the CACM is revitalized, perhaps lowering the growth rate of demand for U.S. components. In addition, because of financial and fiscal difficulties, credit will remain tight in the area and money will remain scarce. There is a traditional consumer preference in the CACM for U.S. goods, but price and credit terms will be increasingly important. At times U.S. suppliers seem unwilling or unable to compete, especially in low-cost items needed by lower and middle class consumers and small industries.

Third country suppliers, especially Japan, Germany and Spain, are becoming more aggressive in lines such as vehicles, office equipment, and consumer durables, offering better prices and terms. They often are able to provide goods which, although not equal to U.S. products, are adequate for the market's needs. More and more Central American customers are willing to forego premium quality at premium prices for sufficient quality at considerably lower prices.

The value of U.S. exports to CACM decreased in 1969. While it is expected that U.S. exports will increase in 1970, it is possible that the U.S. share of the extra-regional import market will decline in the near future. Constant attention to changing market conditions and demands and aggressive selling are needed on the part of U.S. firms to maintain, let alone increase, their sales in this market.

CENTRAL AMERICAN REPORT

Booming Costa Rica offers good market for U.S. businessmen; trade continues at record levels

High degree of activity will likely be sustained through 1970, although optimism is tempered by some uncertainties

By GEORGE T. BECK
Commercial Attache,
U.S. Embassy, San Jose

Costa Rica, which has enjoyed a real GNP growth rate of approximately 7.7% in each of the last four years (in constant 1955 prices), offers an attractive import market which could well reach $250 million in 1970. Although U.S. exports have not been sharing proportionately in Costa Rica's recent import surge, they probably topped $82 million in 1969, rising to record levels.

Costa Rica's basic economic and political stability and cordial attitude toward foreign private investment is continuing to attract much interest by U.S. investors, large and small. Their participation in new and expanding ventures here is contributing significantly to sustaining U.S. export sales and in spreading the appreciation and use of U.S. industrial techniques. New U.S. investment interests range from manufacturing industries to forest products, mining ventures, cattle raising, finance companies and business service companies.

Market deserves attention

The Costa Rica market is buoyant and deserves close attention by American exporters. The country's exports, amounting to about $190 million, and imports, at close to $240 million, were rising to unprecedented levels in 1969 on the basis of available January-October statistics—a gain of 12% and 11%, respectively, over 1968.

There was a notable improvement in foreign exchange reserves, which rose to some $35 million in December 1969 despite the country's adverse trade balance. This achievement is due partly to large foreign investment in the banana industry. The "free" market value of the colon appreciated so much in 1969 that the Government took a bold decision at year's end to reunify the exchange rate at 6.65 colones per dollar, thus ending the dual rate system.

There is a good prospect for sustaining the current high level of activity in 1970. Banana development activity, while slowing somewhat, should result in about $13 million in new investment this year, taking into account expansion activities in the Limon zone and the early phase of a new $20 million United Fruit project in the Sixaola region. The annual value of banana exports should rise steadily from around $55 million in 1969 to about $95 million in 1972, assuming that growing labor disputes and port handling problems can be managed successfully.

Costa Rican industries, now accounting for about 20% of GNP, are maintaining brisk sales amounting to about $35 million to Central American Common Market (CACM) neighbors in such products as fertilizers, paint, medicinal and pharmaceutical products, margarine, office furniture and refrigerators. Seventy-six plants, some relatively small, were inaugurated or expanded in 1969. The new industrial projects inaugurated in 1969 and others started then for entry into production in 1970 involve a capital investment of more than $10 million.

Costa Rica's coffee industry, still almost on a par with bananas as the country's leading export, is prospering with higher prices. Other major agricultural activities including sugar and rice growing and cattle raising continue to expand. As a result of this favorable level of economic activity, producers require heavy imports of raw materials, machinery and equipment and the increased purchasing power of Costa Rica's population of 1.7 million is resulting in a rising demand for consumer goods imports.

In 1970, the import demands of public sector agencies should be unusually strong, financed in part by some $60 million which Costa Rica expects to obtain from international public lending agen-

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cies. Plans are well advanced to initiate long overdue port improvements at a cost of about $30 million. Road construction expenditures will be high and International Bank for Reconstruction and Development (IBRD) financing is likely to become available to construct an all-weather road to complete the link between San Jose and the Port of Limon. The Government will be in a position to begin purchases of road maintenance equipment under a $7.1 million Agency for International Development (AID) loan for this purpose. Large expenditures will be incurred also in water improvement schemes, public housing projects, and procurement of equipment for railways, power and communications facilities and public health programs.

Aluminum complex

Among other new developments which could lend additional impulse to economic activity in 1970 and future years is the good prospect for early Assembly approval of the $65 million Alcoa project. This involves the establishment of a large alumina plant in Costa Rica after the construction of a new road and port by the Costa Rican Government at a cost of $11 million. If approved, the road and port construction could begin early next year. The entire project may require seven years.

Of significance also is a far reaching agricultural development project of AID directed at improving the efficiency and incomes of small agriculturists. On the basis of extensive studies of the agricultural sector, now nearing completion, Costa Rica hopes to obtain substantial financial assistance from the U.S. Government and international financing agencies for new programs to improve crop production, agricultural credit and marketing, forestry control and utilization, etc. Although the program emphasis is to create new credit and technical institutions to assist the small farmer rather than provide large capital inputs, the program could lead, over the short-term, to equipment purchases and, over a longer term, to broadening the effective consumer market for American agricultural equipment.

Optimism about the 1970 economic outlook and its implications for American exports and investment must be tempered somewhat by an appreciation of some uncertainties in the economic scene. The Government's budgetary position is much improved but continues to be less than ideal. There is also some concern over maintenance of the present unified exchange rate if the economy continues to show a very high propensity to import. The Government is still committed to obtain legislative approval of the San Jose Protocol, a measure subscribed to by Costa Rica and the other Common Market nations to improve their respective fiscal positions, to curb import growth and to encourage local industry. The Protocol calls for a 30% duty surcharge on all imports from outside the CACM area. Due to other CACM problems there is little disposition at present to push Protocol approval, but some other substitute import restrictive measures could become necessary.

Another source of uncertainty is the specific economic policies to be adopted by the new Government which takes office in May 1970. The remarkably peaceful February 1970 election, in which some 84% of the electorate turned out to vote, was a demonstration of the vigor of democratic institutions in this country. The new President-elect, José Figueres, whose liberal party obtained a resounding electoral triumph, has announced that he will launch an ambitious national emergency program, in cooperation with the private enterprise sector, to combat the poverty existing among a lower third of the population. So far, he has not outlined the specific measures he plans to take. Foreign and domestic business confidence in Costa Rica will depend much on the President-elect's ability to convince the business sector of the economic feasibility of this program and to enlist its cooperation.

In 1969, Costa Rica's imports from the United States, its principal supplier, surpassed all previous levels by about 2.5%, judging from projections of available country trade totals for January-August. Such imports rose probably to $82.1 million from the previous high level of $80.2 million in 1968. Nevertheless, the U.S. share of Costa Rica's imports from all sources appears to have declined somewhat from the 37.7% of 1968, in light of an 11% overall increase in imports during 1969.

The direct U.S. share of the market is approximately 45% if Costa Rica's imports from its CACM neighbors, the country's second principal supplier, are excluded. Such imports were running at a rate of about $48 million in 1969. Considering that U.S. manufacturers participate strongly in trade originating in those other CACM countries through plants established there, it is evident that U.S. brand name products continue to constitute, at least indirectly, 50% or more of Costa Rica's total imports.

Costa Rica's imports from West Germany, the third ranking supplier, appeared to have increased 13% to $18.2 million, and imports from Japan, fourth ranking supplier, 20% to $18.2 million.

Costa Rica's exports to the United States—its largest market—rose dramatically from $79.2 million in 1968 to more than $90 million, a gain of about 12.6%. This was due primarily to the increased value of banana shipments but meat exports, running at about $13.5 million, and

AUTHOR OF THIS REPORT was George T. Beck, who is shown here, center, observing with a company official U.S. equipment used in final testing stage of Productos Electronicos Admiral TV assembly line.

sugar exports, at approximately $10 million, were also higher. Exports to the United States are expected to increase further in 1970.

The failure of U.S. business to maintain a proportionate share of the increase in this expanding import market is due to various factors. A major cause is the inability to supply inexpensive consumer or capital goods to new types of users who are becoming increasingly important year by year. These are the medium- and low-income consumers and small- and medium-scale industrialists. For example, personal buyers and purchasers for businesses and factories now mostly purchase low cost, compact European and Japanese cars and trucks which also are much easier to handle and park in the growing San José metropolitan area. Similarly, smaller industrialists are buying more low cost and low capacity producer goods from Europe and Japan.

Consequently, the United States share of the market is dropping in such fields as handtools, machine tools and metalworking machinery, woodworking machinery, and linotypes and presses. Competition is growing strongly in these and other fields also as the result of trade promotion schemes of other Governments which sometimes include attractive financing arrangements, the supply of machinery on concessional terms to new industrial training institutes here, or special training provided in their home countries. Now it is not uncommon to find some old-established distributors of U.S. lines setting up special departments or separate companies to take on also the distributorship of cheaper foreign lines. This way, they hope to take advantage of new purchasing trends and to be competitive on large bids circulated by public sector agencies.

U.S. has many advantages

U.S. manufacturers have, however, many built-in advantages in the Costa Rican market in the supply of consumer goods, capital goods, and industrial raw materials. Costa Ricans are increasingly oriented to the U.S. outlook and way of life and there is a strong demand, particularly in higher-income groups, for American clothes, appliances, educational material, toys and all new products coming from American factories. Many Costa Rican managers, plant technicians, and machinery distributors are graduates of U.S. universities and visit the United States annually on business and keep abreast of the latest technological advances. They generally consider American machinery sturdier and more economical if their capital resources and the local market permit production on a large scale.

The growing sophistication of some lines of Costa Rican industry is evident from two examples of recent purchases of U.S. machinery. One involved the purchase of a plastic injection moulding machine with complete accessories costing almost $100,000 and another, the purchase of high-capacity beverage bottling and washing units at a total cost of more than $150,000. Owing to the high preference for American machinery, there is a good market here for reconditioned units also and some American companies in Costa Rica are manufacturing products very competitively with such machinery.

There are some fields in which U.S. industry has withstood most competition to date because Costa Rican technicians were trained on American machinery and local distributors are able to supply technical advice, rapid spare parts service and prompt servicing. Some of these fields are agricultural machinery, heavy construction and excavating machinery, road construction and repair equipment, industrial sewing machines and business computers. No complacency is warranted, however, as other foreign suppliers are taking many steps to introduce more inexpensive units and to bolster their servicing and spare parts facilities.

An important advantage of U.S. traders is the proximity of this market to the United States, which permits frequent travel to the area of U.S. export managers and fairly rapid delivery of equipment, spare parts and industrial raw materials. American shippers should become familiar with the new combined ship and overland truck service provided by Coordinated Caribbean Transport, Inc. of Miami and the new miniboat shipping service established recently between Mississippi river ports and the Limon area of Costa Rica (Agents: Blue Water Shipping, New York City). Now that Costa Rican ports are experiencing long delays in handling goods, these alternative routes may, in some cases, be the most expeditious means of serving this market.

Sales techniques that worked

In 1970, as in previous years, the U.S. share of the market in many lines will depend on aggressive and imaginative salesmanship. Some recent examples of techniques which are contributing to U.S. sales are:

► an Arkansas electricity cooperative which is building up a large trade in sales

HIGH PREFERENCE of Costa Ricans for U.S. machinery has created a good market for new and reconditioned equipment. Here, a U.S.-made portable meat sawer is used at a slaughterhouse in Alajuela.

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of its surplus reconditioned electrical equipment to electricity cooperatives here. It is now closing a new sale of almost $1 million and hopes to develop this trade further by agreeing to have some of the equipment reconditioning done in Costa Rica.

► a Florida company which nurtured a pioneer Costa Rican firm with timely technical assistance and support and now enjoys a profitable leasing business in dies required by this plastic extruding plant here.

► a U.S. private bank which supplied equity and long-term financing to a Costa Rican company to assist it in establishing a large textile plant using U.S. spindles and looms.

► a U.S. manufacturer of electrical milking machinery whose constant attention to new market developments here is bound to lead to sales very soon now that the dairy industry is ready for such equipment.

Investment is welcome

Costa Rica encourages foreign private investment which is accorded, generally, the same liberal treatment as domestic capital. U.S. investment interest remains high and there has been a substantial increase in U.S. participation here in the form of new ventures or the expansion of existing ones. In the industrial field during the past year several American companies, including the Crown Cork Co. (beverage caps), the Scott Paper Co., and a Seagram Liquor-associated local company, opened plants to serve this market and the CACM. Additional American capital was invested in garment-sewing plants to serve the U.S. market, utilizing components of U.S. origin. Lovable Brassiere inaugurated a plant for this purpose and there was some expansion of previously-established U.S.-associated garment plants. Future growth may be limited somewhat because of U.S. cotton textile import restrictions. Among projects in agriculture and related activities, both large American banana companies are inaugurating new areas of production; and Arizona investment interests have started a sawmill project and a cattle raising venture.

U.S. mining companies continued exploration for sulphur and copper and several companies were incorporated to undertake ocean mining operations, presumably for gold. Mining companies sometimes encounter special deterrents because of the lack of a modern mining law and the need to obtain legislative approval for major minerals activities. Continental Oil's project to explore a large offshore area on the Pacific coast is still pending in the Legislature. The Gulf Oil company withdrew its bid to obtain the controlling interest from the Allied Chemical Corp. in RECOPE, the country's only petroleum refinery, when it became apparent that legislative approval would be delayed.

There has been a significant corporate interest in potentially large tourism development projects, but it appears that further encouragement in the form of special investment incentives is necessary. Some local financing companies were established by U.S. principals.

In addition to corporate activity, large numbers of individual American investors came to Costa Rica from the States or from other Caribbean areas to explore investment possibilities here. Many are agriculturists, cattlemen, or professional or business people seeking a new environment in which to use their capital and skills. Some are interested primarily in Costa Rica as a pleasant place to retire. However, only a small percentage of those who investigate investment possibilities here succeed in establishing a base because of difficulties in finding local capital, partners and supervisory personnel, competition from other CACM firms and administrative delays. A number of individuals have invested in going banana development companies and one investor recently purchased one of the largest Costa Rican ranches for cattle and crop development.

Assistance is available

U.S. investors can obtain much assistance now from the increasing number of investment counseling and supporting services operating here. These include the Export and Investment Promotion Center, a Government entity which publishes an Investment Guide on Costa Rica; the Bank of America which has established a Costa Rican subsidiary; a number of American engineering and mining consulting companies which have opened offices in Costa Rica; and an expanding American Business Council. In addition, a number of local Costa Rican private companies now offer marketing and investment services.

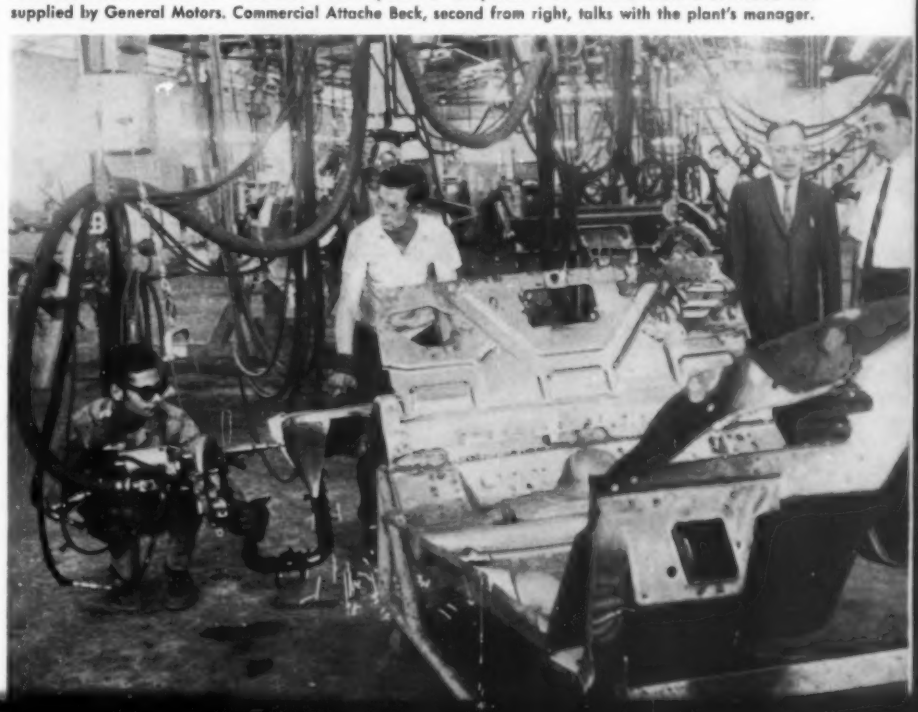
INCAE is expanding

The Central American Institute of Business Administration (INCAE) reports that it is expanding its six-week Advanced Management Program this summer in order to service increasing demand. Two sessions will be offered this year; the first will be held at the INCAE campus in the hills above Managua, Nicaragua, from June 30 to Aug. 7 and the second will be at the new Intercontinental Hotel in Medellin, Colombia, from July 21 to Aug. 28. Sixty senior executives sponsored by their companies will be enrolled in each of the two sessions.

INCAE has a formal relationship with the Harvard Business School. Harvard professors David Korten and Charles Savage will serve as faculty coordinators.

Write: Mr. Douglas Bjorn, Director of Admissions, INCAE, P.O. Box 2485, Managua, Nicaragua.

JIG EQUIPMENT at the Chevrolet auto assembly unit of Cooperativa de Servicios Aero Industriales was supplied by General Motors. Commercial Attache Beck, second from right, talks with the plant's manager.



CENTRAL AMERICAN REPORT

Upturn in agriculture and industry bolsters economy of El Salvador after military disturbance in 1969

Temporary slowdown in business activity that followed the conflict with Honduras has given way to a general recovery

By RICHARD F. MUENZER
Commercial Attache,
U.S. Embassy, San Salvador

Although El Salvador was involved in mid-1969 in a military conflict with Honduras that left lingering social, economic and political difficulties, the closing months of the year found Salvadoran businessmen enjoying a sense of genuine, if cautious optimism. This commercial confidence is based on several factors that include a promising agricultural outlook for 1970, intensified marketing of industrial products in El Salvador and the remaining CACM markets of Guatemala, Nicaragua and Costa Rica, and the continuing positive outlook of the industrial sector to locate new international markets outside of the CACM.

While complete 1969 official Salvadoran import and export statistics are not yet available, the following estimates based on ten-month data, preliminary reports for November and December, and trends, represent Embassy and local banking opinions. Salvadoran 1969 exports were 515 million colones ($206 million) (f.o.b.) as compared with 531 million colones ($212.4 million) in 1968. Salvadoran 1969 imports were 550 million colones ($221 million), as compared with 535 million colones ($214 million) in 1968.

AUTHOR OF THIS ARTICLE, Richard F. Muenzer, center, is shown briefing members of the Salvadoran Furniture Manufacturers Association prior to their visit to a North Carolina Furniture Exposition.

This decline in Salvadoran exports appears partially attributable to the mid-year hostilities with Honduras, which halted all trade between the two countries, and which, through the closure of the Honduran section of the Pan-American Highway to Salvadoran products, made trade with Nicaragua and Costa Rica more difficult. However, through the development of an auxiliary sea and air transportation system and an adaptation by businessmen to changed conditions, industrial production and exports recovered by the close of the year. This recovery, together with substantial increase in agricultural production, should bolster economic performance in 1970, and thereby stimulate increased importation.

With respect to the favorable prospects in agriculture, the 1969-70 coffee crop is estimated at 2.4 million sacks, or equal to the record 1967-68 output. Equally important to the economy, the crop is being sold at higher price levels than in recent years. A record corn crop and increased bean and other food production will not only bolster farm incomes but will strengthen the country's international reserve position by reducing the need to import foodstuffs. Sugar output for 1969-70 will surpass that of the previous year by about 10% due to an abundant rainfall and an increase in the area harvested. The 1969-70 cotton crop, about equal to that of the previous year, will benefit from better cotton prices and slightly increased cotton plantings in 1970-71 may be expected.

Aside from good weather and an increase in land cultivated, 1969-70 agricultural gains are attributable to improved management practices, including an increased use of fertilizers. These gains are especially noticeable in coffee, cotton and sugar cane production. Imports of fertilizers are made from the United States and Germany, with one local plant also in production.

Industry has rebounded

Turning to the industrial outlook, Salvadoran manufacturers and exporters, although temporarily stymied by the loss of their Honduran market and by the transportation difficulties incurred from the closed international highway, greatly intensified the domestic marketing of their products and increased their sales promotion in Guatemala, Nicaragua and Costa Rica. The temporary slowdown in business activity that followed the conflict thus has given way to a general recovery and with it the maintenance of fairly stable price and employment levels and the continuing search by Salvadoran industry for new

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international markets outside the CACM.

Salvadoran manufacturers have become increasingly more export oriented, with both the Government and the private sector organizations expressing great interest in developing Salvadoran non-traditional exports to third countries. This interest has noticeably stepped-up since the limitations put on Salvadoran CACM exports as a result of the blockage of the Pan-American Highway. Acting in support of such views, the Salvadoran Legislative Assembly is expected to approve soon an Export Promotion Law which will provide industrial incentives to manufacturing firms exporting outside the CACM. The enactment of this Export Promotion Law could generate new purchases of a broad range of light industrial machinery to allow present and new manufactures to expand into new product areas and markets.

To further implement the exportation of their manufactured products to new markets, the members of the Association of Salvadoran Industrialists (ASI) with the assistance of the Government, the Central Reserve Bank and the National Planning Council, have established a National Export Promotion Council, the Centro Nacional de Fomento de Exportaciones (CENAFE), to provide general policy guidance to the Government of El Salvador in export matters, to assist exporters in developing foreign markets, and to make studies and reports of export opportunities.

U.S. market is explored

In addition to new Caribbean, South American and European markets, Salvadoran manufacturers are looking toward the United States as an additional marketing horizon for their manufactured products. An increasing number of businessmen are visiting the manufacturing and import centers of the United States not only to probe the possibility of selling products there, but also to study the market requirements and to purchase the necessary new machinery to expand their production to meet them. One such group composed of members of the Salvadoran Furniture Manufacturers Association visited the Southern Furniture Manufacturers Exposition in High Point, North Carolina last Fall, and later, through the assistance of the Department of Commerce Field Office in Raleigh, they visited several major furniture factories and manufacturers of machinery for the furniture industry.

With the recent inauguration of the enlarged electric power plant at the Port of Acajutla, the power generating capacity of the Acajutla area was raised to 63,000 kilowatts and the country's total generating system to 166,600 kilowatts, thus providing additional power for the new industries

AN IMPRESSIVE NUMBER of foreign firms are taking advantage of El Salvador's investment incentives and central location in the CACM. McCormick Spice Co. recently opened this plant in San Salvador.

still locating in El Salvador.

Recently three new modern plants were inaugurated in San Salvador: Moore Business forms of Central America, LENOX of Central America and McCormick Spice. These three U.S. joint ventures join an already impressive number of companies that are taking advantage of the investment incentives and El Salvador's central location in order to market their products in the relatively large local market and throughout the Central American Common Market.

Trade opportunities

In addition to the broad trade opportunities mentioned above related to El Salvador's growing export orientation, U.S. businessmen should take note of the following specific developments:

The Fourth International Fair of El Salvador is scheduled for Nov. 7-23, 1970 and will be called "Central America 70". The Fair's management estimates that 26 countries will participate in this biennial fair which draws visitors and buyers from the entire Common Market. The U.S. Department of Commerce is planning an "Agribusiness" exhibition which will encompass a broad range of agricultural, food processing and light industrial equipment.

U.S. companies should contact their local representatives now in order to take advantage of this opportunity to introduce new products and new models of product lines already established in Central America. The suggested product areas with significant export potential for U.S. manufactured goods are: agricultural machinery and animal husbandry equipment, dairy and poultry equipment, food processing and packaging, irrigation, woodworking, metalworking, transportation, road construction, textile and refrigeration and quick-freezing equipment.

Livestock market planned

With the recent legislation of a Meat Inspection Law, the Government of El Salvador and the local cattle industry are now planning the construction of a new livestock market. The project for this new Cattle Development Center will include a livestock market, a permanent cattle exhibition area, and of more importance to U.S. manufacturers, a new, modern slaughterhouse. U.S. manufacturers of slaughtering and meat rendering equipment should contact the Ministry of Agriculture concerning this project which will allow the Salvadoran cattle industry to market better meat domestically and compete in international meat markets.

Nineteen-seventy will see the opening of a new hospital in San Salvador, the 450-bed Benjamin Bloom children's hospital. Also to join the everchanging skyline of San Salvador will be two new tourist hotels. In February 1970, ground-breaking ceremonies were held for the San Salvador Camino Real, a 250-room hotel which is the result of a joint venture between the U.S. Western International Hotels Co. and Salvadoran investors with IFC participation. This project augurs well for the promotion of a broad range of U.S. hotel equipment and supplies.

CENTRAL AMERICAN REPORT

Guatemala expects another good year; nation's monetary authorities keep weather eye on inflation

Possible dip in U.S. share of import market foreseen; Commercial Attache lists projects and product lines most promising for U.S.

By JOHN D. PERKINS
Commercial Attache,
U.S. Embassy, Guatemala City

"Nineteen hundred and sixty-nine was a good year for the Guatemalan economy, despite war, flood and some drops in export commodity prices." So said the President of the Bank of Guatemala when he recently announced that the country achieved a 5.7% growth rate in 1969, and a surplus in the trade account for the first time in several years, thanks to a 10.8% increase in export earnings.

The outlook for 1970? Business as usual, despite campaigning which preceded the March 1 general elections. Although fiscal and monetary authorities probably will try to keep a tight rein on demand through restraints on both deficit financing and monetary expansion, Guatemalan imports can be expected to increase. The amount of increase will be a function of record private deposits in the banking system, liquidity deriving from increased export earnings, not only from coffee but across the board, and heavier Government capital expenditures. However, the U.S. share of the Guatemalan import market may drop slightly from the 41% share attained in 1968. Detailed import statistics for 1969 are not available yet.

REPORT ON GUATEMALA was written by Commercial Attache John D. Perkins, shown below, center, during a recent visit to a cigarette plant subsidiary of Phiilp Morris. Ambassador Davis is second from right.

Increasing competition from CACM suppliers of consumer goods plus the impact of the 30% import duty surcharge on imports from outside the Central American Common Market will further erode U.S. suppliers' position.

Industrial entrepreneurs probably will hold off on purchases of capital goods for plant expansion—production machinery, packaging equipment, and so on—until the outlook for the Common Market comes into clearer focus, thus nipping in the bud heretofore excellent sales opportunities for U.S. suppliers.

Despite problems with the Common Market, Guatemalan exports to the area racked up another substantial (16%) gain in 1969. Expecting equally good results in 1970, Guatemalan manufacturers will increase their imports of raw materials and semi-finished products for further processing and export to the CACM.

By how much? One indicator is electricity sales to industrial users. They increased 12.5% in 1969 and are projected to increase 12% in 1970.

Agriculture is strong and there appear to be continued good sales opportunities for light tractors and implements. A minor construction boom combined with the increased pace of Government capital expenditures should increase the demand for construction materials and equipment, as well as professional engineering services. U.S. firms have a good foothold in this part of the Guatemalan market.

Local sales of consumer durables, office equipment and automobiles should pick up, but against tough Japanese competition the U.S. market position is weakening.

Pace is fast

All in all, then, aggressive exporters with solid local representation can sell in Guatemala. "You've got to run fast just to stay even" though, and the competition from Japan, West Germany, Spain and other countries is strong here, both in price and credit terms.

First things first. Guatemala's economy is still dominated by agriculture and it would be well to consider the outlook for this sector, then take a look at the opportunities it offers for the successful sale of American products.

Coffee production for 1969/70 is now estimated at 1.75 million bags (60 kilos each), with exports at 1.52 million bags. The 1970-71 crop is flowering nicely. With higher prices, farmers are investing more in fertilizers and general care of trees, thus further boosting output potential.

Cotton farmers probably will further reduce acreage planted but total produc-

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tion may equal the flood-reduced 1969/70 crop of 225,000 bales. Cotton looks to be depressed for several years.

Basic food crop projections—for corn, rice and beans—were well above average, indicating there will be sufficient supplies for domestic needs in 1970. Wheat production, on the other hand, was adversely affected by rain and wind damage. Sugar cane production and sugar exports may be better than in 1969. Beef exports will be only slightly above previous levels, unless new markets are developed. Production and exports of vegetables, fruits, especially bananas and plantain, and fresh flowers will continue to expand.

What does this mean for U.S. suppliers? First, Guatemalan imports of agricultural commodities will increase. The poor wheat crop will necessitate imports reaching 75,000-80,000 metric tons, up 10,000 tons over 1969. Tallow imports will probably increase by a third, to 30,000 tons. Imports of breeding cattle also will be up. The United States is expected to supply almost all of these commodities. Guatemala may need to import substantial quantities of vegetable oils and/or oil seeds because of the reduced availability of cottonseed (exports of cottonseed and cottonseed cake have been suppressed by Guatemalan authorities). A number of traders and oil and feed mill operators have come to the U.S. Embassy seeking sources of supply for soybeans; local production does not come close to satisfying demand.

The agricultural machinery outlook is mixed. Sales of U.S. equipment should continue strong, but smaller, lower-priced European equipment is encroaching on the market. With new roads opening up large areas in the Petén and Izabal, the demand for heavy land-clearing equipment exists. Nonetheless, sales and rentals reportedly are weak at present. Wheeled tractor and implement sales should continue to increase but, as mentioned, smaller units are more in demand.

However, users are starting to realize the cost/benefit advantage of heavier-duty U.S. equipment. Small tractor-drawn corn pickers present a new sales opportunity as many cotton planters have shifted into corn. Rice and wheat combines are moving poorly, cotton pickers not at all. The demand for forage harvesters, hay balers, mowers and racks is very strong.

Imports of fertilizers into Guatemala have been increasing about $1 million annually in recent years, with the U.S. holding about 19% of the market. Although the demand for fertilizers for cotton is down, this is offset by increased applications to coffee, corn and sesame. Given the stress the Ministry of Agriculture places on improved production practices, particularly in the use of fertilizer, the uptrend in fertilizer imports should continue.

MORE AND BETTER highway maintenance equipment is needed by Guatemala to build new roads and to repair damage caused by floods last September. U.S. road construction machinery is shown above.

Pesticide imports depend on cotton production—and they show a consistent downtrend. The downtrend is accentuated by the appearance of mixing plants on the local scene.

Limited amounts of propagation stock for flowers and ornamentals are needed, as well as vegetable seeds.

Some $700,000-$800,000 of supervised agricultural credit is earmarked for financing livestock and poultry operations in 1970. However, aside from about 200 head of Angus cattle and limited numbers of chicks, most of this amount will go to local purchases.

Builders are active

Guatemala is in the midst of a construction boomlet as evidenced by the considerable number of office and apartment structures presently topping out. This radically increased activity is due to a combination of factors, including record deposits in the banking system, exchange controls preventing capital flight, and industrialists' anxiety over the CACM outlook. Rather than investing in new factories, they are putting their liquid funds in safe real estate.

It remains to be seen whether this is a transitory phenomenon or whether there is a continuing opportunity for U.S. exporters of general construction equipment, reinforcing steel, miscellaneous construction materials and the like. What is concrete is this year's Government budget, which shows a 9% increase in capital expenditures, to a total of $55.8 million, including (in $ millions): transportation (roads and railroads), $18; electric power, $12.9; agriculture, $10.5; education, $4.6; health, $2.8; housing, $2.6; telecommunications, $0.7; and others, $3.7.

The September 1969 floods inflicted heavy damage on the highway system. The Directorate of Highways certainly could use more and better highway maintenance equipment—front-end loaders, dump trucks, light graders and scrapers, compressors and pneumatic tools, brush cutters, compaction and paving machinery. Whether there will be funds enough for necessary procurement of this equipment is another matter.

The exotic name of Xaya-Pixcaya identifies one of the largest construction projects now on the horizon. With a first stage cost of $23 million, the Xaya-Pixcaya project will cover Guatemala City's potable water needs through 1987. The Unidad Ejecutora in the Ministry of Public Works will carry out the project, with the Inter-American Development Bank (IDB) loaning $15.5 million. The major portion consists of the construction of the Xaya-Pixcaya aqueduct, a supply system which will include a diversion dam, desilting plant, covered canals, metal siphons, 2 major and 10 minor tunnels and 69 transition boxes.

The first request for bids has gone out for the two major tunnels and associated access roads. Some $60,000 of the IDB

loan will be devoted to technical assistance to set up a municipal water supply corporation and another $75,000 to carry out a feasibility study of the second stage of the long-range plan.

Other projects are listed

Other major projects coming up are:

► *Port of Champerico.* Estimated at $15 million, now in feasibility study phase;

► *Military hospital and out-clinic.* The Ministry of Defense has allocated $500,000 in its 1970 budget for this;

► *CA-13 Highway* between Entre Rios and the Honduran border. Estimated to cost $2.5 million, financed by the Central American Bank for Economic Integration (CABEI), may go out to bid in 1970;

► *San Julian-El Estor-San Felipe "T."* 176 kilometers of highway costing about $12 million, feasibility study in final draft, request for bids expected in late 1970;

► *Four Northern Roads.* $80-100 million total project cost, a feasibility study is due in March, but further engineering definition will be needed, probably in 1970;

► *Lake Atitlan Hydroelectric Project.* Final installed capacity of 386 megawatts by 1980, first requests for bids may be issued in 1970; and

► Finally, the Ministry of Public Health has budgeted $100,000 for hospital and laboratory equipment purchases in 1970.

Let's turn now to the views of some hard-headed businessmen.

The Embassy recently conducted a retail sales survey aimed at finding out from a broad cross-section of manufacturers, wholesalers, importers/distributors, and retailers just how sales went in 1969 and what the prospects are for 1970. Returns are not all in and fully tabulated yet, but here are some of the first conclusions. Sales were up by a weighted average of 7.88%. The median of the projections for 1970 was plus 10%.

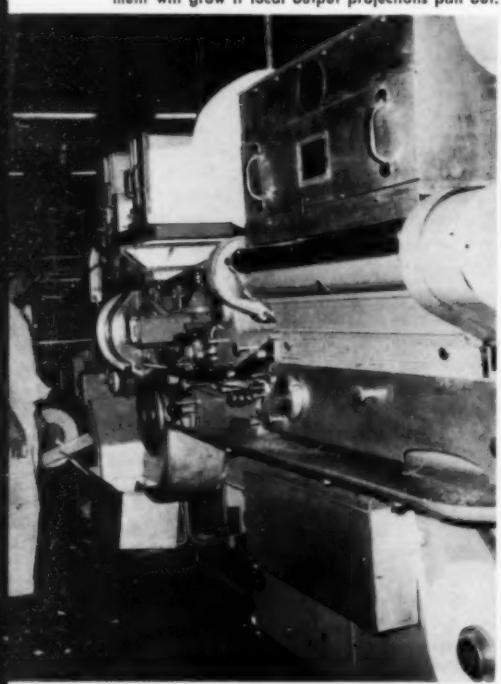
As indicated in the first paragraphs of this report, the outlook is good for imports of industrial raw materials in contrast to heavy capital goods. More specifically, businessmen believe the following industrial raw materials from the United States show most promise in 1970: plastic resins, polyethylene and PVC, citric acid, aliphatic and aromatic solvents, synthetic yarns and yarn goods, fiberglass, aluminum foil, chemical raw materials in general.

Also, prospects look good for replacement units for factory equipment, such as: compressors, water pumps, electric motors, drills, lathes, vises, hand and powered tools, and other light equipment for small workshops.

While the market outlook for U.S. automobiles is not promising, spare parts are another story. Merchants believe the following U.S. automotive products should move well: brake fluid, air and oil filters, lubricants, air and gasoline hoses for filling stations, automobile servicing equipment, auto replacement parts and accessories in general.

Miscellaneous products mentioned as being particularly promising include: ballasts for fluorescent lamps, TV antennas, paraffin items, concrete additives, construction hardware, plumbing and sanitary fixtures, household appliances, but *not* radio, TV, and Hi-Fi.

INDUSTRIAL PROCESSING MACHINERY from the United States, like the AMF unit shown below, is in demand in Guatemala. Sales of U.S. factory equipment will grow if local output projections pan out.



Growing market

To wrap up the outlook for specific U.S. products, it might help to look at the 1970 sales projections supplied by a number of local manufacturers:

Pharmaceuticals	+20%
Furniture	+20%
Soft drinks	+26%
Plastic products	+20%
Business forms	+35%
Starch and adhesives	+25%
Refrigeration equipment	+40%
Stoves	+35%

U.S. factory equipment suppliers might wish to take another crack at these customers. Not all predictions are optimistic, however; one poultry and egg producer predicted his sales would be down 25% and a chewing gum manufacturer down 7%.

The U.S. Embassy continues to receive trade complaints involving slow payment of sight drafts. As reported in last year's Annual Trade Outlook (INTERNATIONAL COMMERCE, Mar. 24, 1969), several U.S. exporters found themselves confronting a loss when their consignees delayed paying the drafts and taking possession of the goods, with the result that shipments were destroyed in two 1968 customshouse fires after insurance coverage had expired. We suggested in that article, "Ya gotta know the territory."

Possible solutions

The Embassy subsequently checked into the possibility of developing a universal purchase/sale agreement which would define when title passes and be readily enforceable in Guatemala, but found that this was not an attainable solution. From time to time, we receive new complaints about slow payment or non-payment of sight drafts covering shipping documents. We do not suggest letter of credit terms because competition is keen, but there must be another solution.

One banker has said, "Give us instructions. If you wish to have the draft protested, tell us. (Protest action must be entered 48 hours after presentation of the draft, under Guatemalan law.) If you wish us to withdraw the goods from Customs and dispose of them at the best price, authorize us. Otherwise, if you want the goods sent back to the U.S., send us instructions promptly, before storage charges mount up. If you want us to start legal action to force collection, instruct us."

Another banker gets at the kernel of the problem. "When you extend credit, you look at the borrower first. What is a sight draft against documents but a form of credit? I am continually amazed at the number of U.S. exporters who accept an order from, and ship to, someone they don't know."

The message seems clear, gentlemen. Do you have a solid agent who will accept responsibility for effecting collections? Do you know the customer? If not, ask for a World Trade Directory report or consider giving your local bank the instructions cited above to pass to its Guatemalan correspondent. Of course, it helps to send exactly what the customer ordered and to pack it securely. Consignees have the habit of sneaking a peek in the Customs warehouse before going to the bank to pay the draft.

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CENTRAL AMERICAN REPORT

Heavy development spending may help Honduras snap out of '69 slump caused by war, hurricane

U.S. position improved last year, while overall trade declined; businessmen optimistic despite pre-election year uncertainties

By RICHARD C. GRAHAM
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After several years of sustained growth in foreign trade exceeding 12% annually, the Honduran economy was set back in 1969 as a result of the war with El Salvador, a severe hurricane, and extensive floods to the extent that both exports and imports recorded declines of more than 3%. It was inevitable that the trade decline would have an adverse effect on foreign exchange reserves and government revenues. Net international reserves at the end of December 1969 stood at $24.9 million compared to $28.5 million a year earlier, not as bad a slippage as might have been anticipated. Due principally to reduced imports, the balance of payments deficit was almost $4 million less than 1968. The GNP, which had grown by 7% in 1968 in current prices, reached only 5.4% in 1969.

The Government has prepared a 1970 budget quite close to the level of 1969, reflecting some scaling down of capital income. Overall current revenues, however, are expected to increase by about 7.4%. Yet the budget is considered austere due to the above-mentioned dampening factors on revenue and to increased defense expenditures. The one bright spot was substantial increases in public capital outlays.

Government sources predict that GNP will not grow more than 5% at current prices. Yet, private economists believe the GNP growth rate may reach as high as 5.5%, slightly exceeding the 1969 performance, and that public investment will be greatly stepped up in this pre-election year.

These same private economists predict that private investment may increase as much as 6% in 1970, and that consumer spending will also be up, but perhaps not as much as in recent years. Should foreign exchange reserves fall to a level that is considered critical, Honduras would be able to draw upon about $3 million of its newly-created Special Drawing Rights (SDR's), or renegotiate an existing $11 million standby agreement with the IMF. However, neither course is now considered necessary for 1970.

Signs are good

There are many indications that the economy will be sustained throughout the year by major infrastructure projects now in progress. Happily, the damage to agriculture on the North Coast by Hurricane Francelia in September does not seem to have been as extensive as originally feared, although banana production will not reach normal levels until 1971.

The combined effect of the war with El Salvador and Hurricane Francelia made it impossible to sustain the previous level of foreign trade. The Government estimates that overall 1969 trade fell below 1968 levels. Based on very preliminary data, it appears that Honduran exports declined to $172.85 million in 1969 from $182.7 million in 1968. This drop was accounted for by lost exports to CACM markets, principally El Salvador, and lost banana exports. Exports to the CACM are estimated to have dropped in 1969 to $21.8 million from the previous year's $31.75 million.

Honduras appeared to maintain its traditional surplus on trade account with the rest of the world in 1969. The United States took an estimated 47% of total Honduran exports, and about 54% of Honduran exports not destined for CACM countries. The CACM countries took about 12.5% of 1969 Honduran exports, compared to about 17.4% in 1968.

Honduran imports also declined in 1969 to $179.25 million from $184.7 million in 1968. However, CACM countries did not absorb the total drop, with 1969 Honduras buying an estimated $46.5 million from this source in 1969 compared to $48.6 million in 1968. Thus, Honduras' trade deficit with other CACM countries is believed to have worsened to $24.7 million in 1969 from $16.9 million in 1968, and the CACM share of Honduran imports rose slightly to 26.7% from the 1968 level of 26.3%.

The U.S. Embassy estimates that U.S. firms supplied about 47% of Honduran total imports in 1969, and perhaps as

AUTHOR OF THIS ARTICLE (at left) inspects a newly-opened Sears-Roebuck store in San Pedro Sula. Manager Jorge Castro (r.) told Graham his only complaint has been lack of merchandise for Christmas shoppers.

IN NOVEL SETTING, Commercial Attache Graham visits a new Tegucigalpa bookstore which deals exclusively in English-language paperbacks and magazines. Owner William Lady (r.) says business is brisk.

much as 64% of imports from other than CACM countries. This represents a slight improvement for the United States over 1968, clearly at the expense of competing nations. This may be explained in part by the fact that Honduran importers turned to the U.S. market as a principal alternate source of supply for goods previously imported from El Salvador, following the break in trade relations with that country in mid-1969.

Business revival spurred

Allowing for the uncertainties of a pre-election year and for reduced economic growth, businessmen still feel that 1970 will be normal. December was the best sales month in five years, and maybe the best ever for San Pedro Sula.

The heavy buying reflected to some degree a relaxation of war fears.

In early November, Sears Roebuck opened its first Honduran retail outlet in San Pedro Sula. The manager reports that business has been better than expected, so good in fact before Christmas that the only complaint was lack of merchandise. A new retail financing institution, Compania de Credito, S. A., with U.S. banking participation, opened in San Pedro Sula in 1969. This acceptance corporation provides financing for business houses of durable goods, and some industrial, commercial, and construction loans.

In early 1970 the Texaco refinery at Puerto Cortes was running 50% over rated capacity to meet heavy export demand from the Canal Zone and Dominican Republic.

Cement production was up 10% in 1969 in spite of two stoppages caused by the war and hurricane. For 1970 the one cement manufacturer is predicting an increase of 15 to 20%.

The Financiera Hondurena is further stimulating imports from the United States with its lending program. About $1 million was lent to the local fishing industry for the purchase of nineteen shrimp boats, expansion and construction of new packing plants, and working capital. About $750,000 in loan applications from this industry are pending the availability of new funds.

The Financiera expects there will be a good market for U.S. manufactured agricultural and irrigation equipment and tractors, which will be financed from a recent $2.6 million World Bank loan. The loan will be utilized for agriculture and cattle raising and will be administered by the Central Bank through the private banking sector.

Increased two-way trade between the United States and Honduras is being made possible by improved transportation services offered by Coordinated Caribbean Transport which services Puerto Cortes twice a month from Miami with a 58-trailer-truck capacity ferry.

Banana production which was expected to be 53 million boxes (40-lb. boxes) in 1969, but only reached just over 42 million, will begin to recover from the effects of Hurricane Francelia. United Fruit Company shipped just under 25 million boxes, or about 8.5 million less than its original 1969 goal. Standard Fruit shipped 17.5 million boxes, some 2.5 million less than its targeted goal. Almost all the Standard Fruit loss was actually suffered by independent growers in the Sula Valley who supplied Standard under contract. The independents had an estimated 2,000 acres ruined. The average yield in this area is approximately one thousand boxes per acre.

Oil search quickens

Union Oil in early 1969 drilled the first offshore well in Honduran territorial waters on the offshore continental shelf east of Cape Gracias A Dios. In early 1970 Occidental Petroleum announced it had commenced drilling the first of three wells in a concession held jointly with Signal Oil and Gas covering 6.5 million acres both offshore and onshore in Honduras and Jamaica.

Other wells are planned by Republic Oil and Gas, Chevron, and Mobil. Kewanee Oil and Pacific Inland Oil are conducting seismic surveys. In all, twelve separate international petroleum companies hold or have applied for exploration concessions in Honduras.

New mining investment

Several small but significant new mining ventures are underway involving U.S. and Canadian companies. If successful, they will expand the market for mining equipment and supplies. Signal Oil and Gas joined New York and Honduras Rosario Mining in prospecting for copper by acquiring a 50% interest in Rosario's Minas de Oro concession in the Comayagua Valley.

A three-year exploration program has begun in the 8,600-acre area where very encouraging shows of a disseminated copper deposit are believed to exist. About $300,000 has been budgeted for the initial survey.

Separately, New York and Honduras Rosario Mining has been joined by American Smelting and Refining to carry out a $1 million prospecting of extensions of certain veins in the old Rosario mine near San Juancito, originally opened in 1880 and abandoned in 1954 by Rosario when it moved to El Mochito near Lake Yojoa. The companies will drill for a period of three years in the hopes of locating paying deposits of copper, silver, lead and zinc, and gold.

A number of industries to serve export markets other than the CACM and some intended to serve the local market formerly supplied from El Salvador are being actively promoted. Also, several U.S. firms have made investments in local manufacturing operations. Since these projects will generate imports from the

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United States and, in some cases offer good trade leads, the most important are listed below.

- U.S. Plywood-Champion Papers Co. in partnership with SICRE, S. A., will establish a sawmill and veneer mill in the Mosquitia region of eastern Honduras to export lumber and veneer. Initial investment is $2.2 million.
- Cargill, Inc. of Minneapolis has invested $1 million in a subsidiary, CENTROCOM, S. A., which will operate animal feed mills in Tegucigalpa and San Pedro Sula, and operate a farm for production of eggs and pullets. Modernization of the two plants and removal of the San Pedro Sula facility to a new location is being undertaken. Moderate imports from the United States of fish meal, soya, alfalfa, and urea for mixing, will be required.
- The capital of Compania Pino Celulosa de Centro America (COPINO), the International Paper affiliate, was recently doubled to $1 million. The additional funds will be used to complete studies and negotiations necessary for a final decision on whether to construct a containerboard mill and sawmill in Honduras.
- Fifty tons of dried beef will be processed weekly in a new plant to be located in Danli for shipment to the Spanish-American market in Miami and New York. About $500,000 has been invested by local cattlemen in this plant which is scheduled to open in May or June. It will also slaughter pork for domestic consumption.
- A fresh beef packing plant for the export market is being constructed in Catacamas to replace one destroyed last summer by fire. This will involve U.S. investment.
- A new ice cream manufacturing plant is being built in Tegucigalpa with equipment from the United States. Named FAMOSA, S. A., it is one of the largest in Central America. More than $500,000 is being invested, principally by U.S. shareholders. The plant will open about August.

Banks boost investment

Impetus is being given to new investments in industry by the Central American Bank for Economic Integration (CABEI) and by the Honduran National Development Bank (BNF) by direct loans, financing of studies and seed capital.

During the first half of 1970 CABEI will consider a $13 million pineapple project near Lake Yojoa. An application for a loan to prepare a final feasibility study is being submitted. The plantation is planned to cover 6,000 hectares, and the first stage cost of setting up the farms and purchasing agricultural equipment is estimated at $1.5 million. Also under consideration are financing for an industry to manufacture molded wood products in the Danli region, to be undertaken with a Seattle-based U.S. firm, and a new shrimp and lobster packing plant to be located on the Vivorillos Keys off eastern Honduras.

In the second half of the year CABEI will consider for final approval:

- A $450,000 processed-okra operation in Quimistran in the northwest;
- A $175,000 pork products cutting and freezing plant to be located either at La Ceiba or Puerto Castilla;
- A $700,000 textbook printing plant for Tegucigalpa (this project will probably be financed with West German funds available to CABEI and thus tied to German equipment);
- Commercial production of sesame for export in cooperation with the Agrarian Reform Institute near Choluteca in the south (a $150,000 processing plant is to be built, but most likely will utilize Japanese equipment, and the crop is intended for the Japanese market);
- And, also in the south, near Nacaome, a $130,000 investment in growing melons for export to the United States (this project, to be carried out by local entrepreneurs, will require refrigeration equipment for storage and transport).

In addition, all the agricultural projects to be assisted by CABEI, regardless of the source of industrial machinery, will require agricultural equipment such as tractors and cultivators. The United States can be very competitive in these items.

Other loans recently approved by CABEI include $2.7 million for the purchase of medical equipment by the Instituto Hondureno de Seguridad Social, $250,000 to purchase equipment and machinery to process fish and shrimp by the firm Mariscos de Centroamerica, S.A., $310,000 for construction, equipment, and operation of a new tourist motel at Puerto Cortes, and an additional $2 million for construction of the Tela-La Ceiba road (making a total of almost $11 million for this road project).

BNF will commit almost $3 million to new industrial projects and to increasing its investment in several already under development. New projects include a $600,000 milk plant to be located in Tegucigalpa (Cherry-Burrell Corp. of Cedar Rapids, Iowa, will supply $250,000 in equipment, and bottling equipment valued at $126,000 will come from England). A $500,000 cardboard box manufacturing plant will be established in San Pedro Sula, utilizing a second-hand corrugating plant from the United States and $400,000 in new machinery from Koppers Company. A new kiln for wood drying will be located in Tegucigalpa to improve the furniture industry.

U.S.-EQUIPPED FROM TOP TO BOTTOM, the 125-room Gran Sula Hotel, opened last year, caters mainly to commercial visitors to San Pedro Sula.

Funds are budgeted for completing an industrial park for light industry and for carrying out feasibility studies pertaining to a salt industry and sheet glass manufacturing from the silica sands discovered in the south.

Utilities growth continues

The demand for electric power has been increasing by about 30% annually. Thus, Empresa Nacional de Energia Electrica (ENEE) is faced with the prospect that its 40-megawatt Canaveral hydroelectric project near Lake Yojoa, scheduled for completion in mid-1971 and planned to meet consumption demand for 12 years, will in fact only meet the demand for two and one-half years.

Several major ENEE projects are planned for 1970 which will require imports of transmission and electrical equipment and offer opportunities for large scale civil works contracts. Bids will be called for $1.1 million of electrical transmission distribution equipment, to be financed under a Central American Bank loan. A $10 million expansion of the ENEE transmission system from Canaveral north through Tela to La Ceiba and the Olancho Valley will go to bid in October-November. This will call for 138 kv., 69 kv., 34.5 kv., 13.8 kv. power lines and substation equipment. The system will increase ENEE consumers from the present 42,000 to 78,000 by late 1972. It will also serve the United Fruit and Standard Fruit operations. The project will be financed by a World Bank loan.

At the same time, bids will be called

for a 15-17 megawatt gas turbine for Tegucigalpa. A bid for a similar gas turbine for San Pedro Sula was won in late 1969 by Hitachi of Japan in competition with U.S., British, Swiss, and Italian manufacturers. The closest U.S. bid was approximately 25% higher, with almost six months longer delivery.

To fill the gap after Canaveral, the Swiss firm Motor-Columbus has been awarded a $300,000 contract for preliminary engineering of a new hydroelectric project on the Rio Humuya, which is located in the valley east of Lake Yojoa. This river has been determined to have an electric power potential of 310 megawatts. There is a concurrent need for flood control of this river system which feeds the rich Sula Valley. Two hydroelectric plants are projected, El Remolino with a 90-megawatt potential at an estimated cost of $30 million, and El Cajon with 220 megawatts at an estimated cost of $62 million. These projects would also involve World Bank financing. Loan negotiations are planned for 1971 with project bidding to be in late 1971 and plant construction beginning in 1972.

In the meantime, private consumers and municipalities not served by ENEE will continue to purchase diesel electric plants. Also, some self-financed municipal electric projects will eventually be connected to the ENEE system. One such example is a project, financed by a $63,000 loan from a private bank, for the modernization during 1970 of the electrical system of the North Coast port city of Tela.

Water projects in works

The public water authority, SANAA, will begin six rural water supply projects in Western Honduras under an Organization of American States-financed rehabilitation program. The total cost of $200,000 includes imports of pipes, fittings and pumps. Two major water projects are scheduled for discussion in 1970. One is a $12.5 million water supply scheme for drawing water from the Guacerique River and other rivers to serve the needs of the capital city for the period 1974-83. The other is a $2.5 million sewage treatment plant for the city. However, these projects will not go forward until financing is secured and a priority assigned by the government.

In mid-February SANAA dedicated publicly its $3.4 million 30-mile San Juancito-Picacho aqueduct project, which will provide several million gallons of additional water daily and alleviate a shortage which rapid expansion of the capital city has created in recent years. Inaugurated simultaneously was a water chlorination plant costing $50,000. These projects were financed in part by the Inter-American Development Bank.

Regional telecommunications are also due for improvement, with work scheduled to commence in 1970 on the Central American COMTELCA project. The Central American Bank loan to the Honduran Government of $2.7 million to finance its share of the project was published in February. Nippon Electric of Japan will carry out the contract.

Tourist facilities expanded

Some progress is being made in improving facilities for tourism. The potential for growth of this industry is excellent, with the Mayan city of Copan and the remote Bay Islands in the Caribbean being the prime attractions. Two new resorts have recently opened on Roatan, one of the Bay Islands. A resort that opened on Roatan in 1968 is reporting heavy bookings. The attraction of the islands is sport fishing, skin diving, and their remoteness. New resorts are being built at French Harbour, and a hotel is planned for the island of Barbareta.

A new airport with a 4,400-foot paved runway will be inaugurated at La Ceiba in the near future. It will be a customs port of entry, and applications for direct flights from Florida cities to La Ceiba are being considered. La Ceiba is the gateway to the islands and will benefit from increased tourism. Also on the North Coast, a new tourist hotel costing over $800,000 is to be built at Playa Dorada near Puerto Cortes. It will be financed in part by a CABEI loan of $310,000.

A new hotel is scheduled for completion in Tegucigalpa by July; to be called Hotel Maya, it will have 140 rooms and 20 efficiency apartments, a swimming pool and cabanas, modern shops, a restaurant and stage for floor shows, terrace bar, and conference and banquet rooms. Total cost of the hotel is estimated at $3 million, of which the Central American Bank (CABEI) has provided loans totaling almost $1.5 million. The U.S. firm, New York and Honduras Rosario Mining Co., will own 20% of the stock. This project will generate purchases of U.S. manufactured equipment totaling more than $1.5 million. Much of this has already been bought, but almost $500,000 of furniture and air conditioning equipment remains to be purchased.

Hotel will help tourism

The new Tegucigalpa hotel will be one of the most modern in Central America, and will facilitate business travel as well as tourism. The growth of tourism will also generate greater foreign exchange earnings this year and increased sales of U.S. sports equipment, pleasure boats, and other leisure time goods.

Approximately $3.5 million will be spent for procurement from foreign sources under the terms of an agricultural credit and storage loan to the National Development Bank by the Agency for International Development (AID). Some $1.5 million will be used for purchasing silo equipment for grain storage in the two principal cities. Bids have already been received from U.S. suppliers. Also, $1.5 million will be spent for imported fertilizer, insecticides, breeding cattle and farm machinery and equipment, while $1.6 million of AID funds and $3 million of Bank funds will be relent to farmers for local purchases of goods and services including imported shelf items, thereby indirectly increasing the demand for imported agricultural supplies.

Also, $500,000 of the AID loan will be used to finance imported machinery, equipment and raw materials required by new or expanding agro-industries to be financed by the Bank. Disbursements under this loan will take place over two years.

Nineteen secondary schools and a teacher's college will be built under a $6.3 million program, with construction beginning in late 1970. AID funds will finance approximately two-thirds of the cost and will generate imports of building supplies and equipment.

A natural resources inventory loan may be negotiated which would be carried out by the National Agrarian Institute. It would consist of property mapping, land use evaluation, and pre-feasibility assessment of agricultural development projects. A consulting firm will be engaged to help the borrower carry out the project. The estimated total cost will be $3 million.

Road building sustains economy

Those who are optimistic about the performance of the Honduran economy in 1970 cite the extensive highway construction program as a major factor in sustaining economic growth. Bids are expected to be called during 1970 for the portion of Central American Highway No. 6 between Tegucigalpa and Danli. Final plans are being prepared for the Tegucigalpa-Juticalpa road in the Department of Olancho. In March or April the Honduran Government was due to buy, with its own funds, about $750,000 of highway maintenance equipment. A major local distributor of U.S.-manufactured road construction equipment and power plants forecasts that his sales will increase by 15% in 1970 over a $5 million volume in 1969. About 60% of his sales is road equipment and 40% power plants.

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Nicaragua still in doldrums

Declining cotton export earnings have retarded economic expansion since mid-1960's

By JOHN P. CRAWFORD
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Nicaragua's economic growth rate during 1969 is estimated to have been about 3%. This modest growth has characterized Nicaragua's economy in the last half of the sixties and is in marked contrast to the early part of the decade, when Nicaragua's GNP, riding the crest of a cotton boom, grew at an average rate of 8% a year. Cotton production has fallen steadily since 1965, and last year world market prices for cotton weakened. World prices for coffee, which is Nicaragua's second most important crop, were also low through most of last year, but were improving at the end of the year.

The Nicaraguan Government's agricultural diversification program, designed to lessen the country's dependence on cotton and coffee, has been reasonably successful, particularly in the development of beef exports. But such a program takes time, and the steep decline in earnings from cotton exports last year resulted in a 2.2% decrease in Nicaragua's total export earnings, which dropped from $162.3 million in 1968 to $158.7 million in 1969.

Imports are down

Imports declined by 4.3%, from $184.6 million in 1968 to $176.9 million in 1969. This fall-off in imports began in 1968 and is largely due to the contraction in the agricultural sector of the economy. Selective credit controls and new taxes imposed by the Government, partly to conserve foreign exchange and partly to generate more public revenue, have also restrained imports. The disruption in trade resulting from the conflict between El Salvador and Honduras was also a factor in reducing imports from the Central American Common Market.

The contraction in the economy has posed fiscal problems for the Government, as public revenue, despite the new taxes, has been less than expected, forcing the Government to postpone programmed public investments. The economy was shored up last year by a continuing high level of private investment, including construction of office buildings, factories, and hotels and purchases of industrial machinery and equipment. In the face of new taxes and a rising cost of living, consumer spending apparently declined while domestic savings in private institutions rose.

The prospects for 1970 are beclouded by a further reduced cotton crop. Plantings for the 1969-70 crop were 20% less than for the previous year and unexpectedly low yields have resulted in a harvest estimated at about 300,000 bales, about 100,000 bales less than the 1968-69 crop, and 243,000 bales less than the peak 1964-65 crop. Other exports will only partially make up for this decline. Last year, beef for the first time surpassed coffee as Nicaragua's second foreign exchange earner. Cotton earned $45.4 million in 1969, meat earned $20.8 million and coffee earned $20.6 million. Growth in beef exports to the United States, however, is limited by a voluntary restraint program.

Excellent coffee prices this year have coincided with a good crop. This year's sugar crop is reported excellent, and Nicaragua should easily be able to meet her basic U.S. quota plus substantial deficit allocations. Exports of seafood products are growing apace, and tobacco and lumber exports are on the rise. Prices are tending upwards for these commodities, and for copper as well, production of which Nicaragua plans to double this year. These expanding exports are unlikely to compensate for the decline in cotton, however, and Nicaragua will probably have to contend with another decrease in total export earnings.

The low level of reserve holdings portends continued selective credit controls and indirect taxes to restrain imports. Nicaragua in 1969 had a $15 million standby

COMMERCIAL OFFICER John P. Crawford, second from right, author of this report, observes a Caterpillar grader working on the John F. Kennedy highway fom Las Mercedes Airport to Managua. With him is Caterpillar representative A. D. Curradi, right, and A. G. Sundstrom, manager of Nicaragua Machinery.

DEPENDENCE ON COTTON has hindered Nicaraguan economic development for the last several years. Production has fallen steadily and prices weakened last year. Above, a John Deere unit planting cotton.

agreement with the International Monetary Fund which will be renegotiated this year. High public officials have attested to the continued strength of the cordoba. The Government is making every effort to keep down operational costs so as to channel money into development and to provide counterpart funds necessary to allow it to draw down on loans already made by the U.S. Agency for International Development and other lending agencies.

The San José Protocol, which was implemented in Nicaragua in June 1968 and which provides for a 30% surcharge on the Central American Common Market common external tariff, is to remain in force until 1973. This protocol also called for an optional 10% "semi-luxury" consumption tax and an optional 20% "luxury" consumption tax. These taxes plus a 5% sales tax have been applied to a wide variety of items, many imported, and thus have served as a brake on imports, especially those from outside the Common Market. A series of consumption taxes levied in 1969, equally on Common Market goods and Nicaraguan products, have restrained imports from the Common Market as well. It is likely that application of all these taxes will continue throughout 1970, though perhaps in a more simplified form.

Partly attributable to the taxes levied on Common Market goods is the first decline in imports of consumer non-durables since the Common Market was founded. Though pharmaceuticals and toilet articles held up well, food products and wearing apparel slipped markedly. The slippage in food products is partially due to greater basic grain production in Nicaragua, but the principal decline was in canned goods. Imports of consumer durables also decreased—everything from domestic utensils, furniture, home appliances, and personal adornments, to automobiles for personal use.

The most significant decline in imports, reflecting the contraction in the agricultural sector of the economy, was in raw materials and intermediate goods for agriculture, which were literally cut in half from $14.1 million in 1968 to $6.5 million in 1969. Likewise, imports of machinery for agriculture declined from $5.2 million in 1968 to $3.9 million.

On the other hand, imports of raw materials and intermediate goods to feed Nicaragua's industries rose slightly, and imports of industrial machinery and plant equipment rose significantly from $27.1 million in 1968 to $35.1 million in 1969. This rise, plus a rise in imports of construction materials, was largely due to the building of a number of new factories in Nicaragua including a modern textile mill, a new cigarette factory, a polyvinyl chloride resin plant, and a fiber bag plant, as well as the Managua Intercontinental Hotel, which was completed in December of 1969. Though imports of raw materials and intermediate goods to feed the new factories may be expected to rise this year, new plant and equipment purchases as well as imports of construction materials may fall off as prospective investments have been postponed pending clarification of the Common Market situation.

No change in U.S. share

Imports from the United States dropped from $69.6 million in 1968 to $66.6 million in 1969. This decline is almost entirely attributable to the contraction in the agricultural sector of the Nicaraguan economy and the resultant decline in imports of raw materials and capital goods for agriculture. Despite the absolute decline in U.S. exports, the United States maintained its relative share of the reduced market; that is, about 38%.

Though imports from the Common Market were reduced due to the El Salvador-Honduran conflict and the Nicaraguan consumption taxes, the CACM relative share of the smaller market rose from 25% in 1968 to almost 30% in 1969, principally in imports of consumer goods, both durable and non-durable.

Imports from Japan also experienced an absolute decline in value but maintained a 7.5% share of the market. Imports from the European Common Market, however, increased both in absolute value and relative share of the market, which rose from 12.2% in 1968 to 13.6%, with particularly strong performances on the part of West Germany, the Netherlands, Belgium, and Italy. England also increased by a percentage point its small share of the Nicaraguan market.

U.S. exporters must be increasingly aggressive to retain their share of the Nicaraguan market. Recent changes in AID procurement regulations now permit purchases in Latin America as well as the United States of goods and services for AID-financed projects, as long as such goods contain at least 50% of Latin American inputs. United States proximity to Nicaragua, the reputation of U.S. goods for quality, and U.S. traditional commercial ties to this country are all advantages which should be utilized, but Nicaragua is now an extremely cost-conscious market. By way of example, a total of 156 U.S. passenger cars were imported into Nicara-

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gua last year, as compared with 970 Japanese models. In the face of stiff price competition there can be no substitute for aggressive salesmanship, quality of product, ready availability of parts, and competent service.

Despite the Government's current fiscal problems, it will forge ahead with the resources at hand in the further development of the nation's economy, with continued emphasis on diversification and expansion of agricultural production and promotion of industries supporting agriculture and utilizing raw materials native to Nicaragua.

Grain surplus is target

One of the primary goals of the Government for a number of years has been to make the country self-sufficient in basic food grains and to become ultimately a major supplier of these food grains to the Common Market. In 1969, Nicaragua succeeded in harvesting small surpluses for export of corn, beans, and rice. There are, however, many problems to be ironed out. Nicaragua still lacks sufficient drying and storage facilities to properly safeguard the grain and stabilize prices, and there is no operative grain stabilization agreement in the Common Market. Construction of 100 grain drying and storage centers is in progress, financed by a $4.5 million loan from the Export-Import Bank.

In furtherance of the Government's efforts to assist growers of basic grains, AID loaned the National Bank $9.4 million in 1968 for financing imports of fertilizers and pesticides. The third tranche of this loan may be disbursed in 1970. AID is also assisting Nicaragua in its search for a rice variety that yields profitably on irrigated land. The National Bank of Nicaragua extends liberal credits for the purchase of agricultural machinery and equipment.

The Inter-American Development Bank (IDB) in 1969 loaned the National Bank of Nicaragua $7.2 million partly to finance another stage in the up-grading of Nicaragua's beef cattle herds and the improvement of farms and pasturage. These funds are still being disbursed and offer opportunities to U.S. exporters of breeding stock, farm equipment, and fencing. In addition, the loan is to finance improvement of dairy herds and farms on the Pacific Coast serving the Managua area. It is estimated that as many as 100 to 150 farmers can take advantage of this opportunity to import 1,200 head of cattle as well as milking, cooling, and handling equipment. Finally, a portion of the loan is to finance increased rice production under irrigation and may be used to purchase tractors, rice combines, pipes, and pumping station equipment.

Last year, the National Bank of Nicaragua received from British banks a supplier's credit amounting to over $5 million to finance the purchase and installation of aspersion irrigation equipment for a 35,000 acre project in the León area. Some 5,000 acres of the project were completed in 1969. A $1 million aspersion irrigation project was completed last year in Rivas by a U.S. contractor. Nicaragua has long sought to lessen her dependence on the six-month rainy season. President Somoza has said on several occasions that he would like to irrigate up to 200,000 acres of Pacific Coast land, and he has invited American contractors to make offers of supplier's credits for irrigation projects. These projects offer opportunities for technical assistance on how best to utilize economically the irrigation systems when installed. An Israeli firm is rendering this service for the Léon project.

As part of the agricultural diversification program, the National Bank of Nicaragua is taking a good look at yucca as an export crop, both as food for human consumption and as cattle feed, and also in the form of starch for industrial uses. There is already a 20-ton per day yucca starch processing plant in the country, and plans are being considered for construction of a 100-ton per day plant or three 50-ton a day plants.

The National Development Institute (INFONAC) hopes to move forward this year with its agricultural diversification program. Steps are nearing completion to turn over a banana project to the Standard Fruit Co., thus freeing INFONAC's funds for other agricultural projects. Nestle's powdered milk plant in Matagalpa has been completed and is in the pilot stage of production. INFONAC has a $5 million loan from the IDB, $2.6 million of which is to finance dairy cattle imports and dairy farm equipment purchases for the farms which supply milk to the plant. Some $1.6 million of the IDB loan is to finance a pork program. Much interest has been expressed in an integrated operation with breeding farms, feeder systems, and a pork slaughterhouse. A third portion of the IDB loan to INFONAC is to support irrigation projects on the Pacific coast for fruits and vegetables. With its own funds, INFONAC is expanding production of havana leaf tobacco in the north of Nicaragua.

Though the agriculture sector cannot be expected to make dramatic strides in the near-term, these Government programs plus the investments of Nicaraguan farmers do offer immediate opportunities for U.S. exporters. United Fruit has planted peanuts to supplement cottonseeed for the production of cooking oil in Nicaragua. There will be opportunities to sell tractors

SUBSTANTIAL PROGRESS was made by Nicaragua in 1969 in the development of tourist potential. One of the hotels completed was the 210-room Managua Intercontinental, which opened in December.

and peanut harvestors. Rice producers will require combines, harrows, and tractors that can be converted to mud-wheeling. Beef and dairy cattlemen will need track-type tractors for pasture improvement, and heavy rome disc plowing harrows for clearing brush. There is the possibility of expanded sales in forage equipment, and there are signs of more mechanization in corn production. There are possibilities of sales of large tractor units to Nicaragua's sugar industry. Nicaragua's expanding poultry industry will require imports of baby chicks, brooders, feeders, and waterers.

Progress is cited

Nicaragua made substantial progress in the development of its industry and its tourist potential in 1969 with the inauguration around the end of the year of a polyvinyl chloride resin plant to supply the plastics industry of Central America, a modern textile mill capable of blending polyesters with fine cotton fabric, a modern cigarette plant, a bag plant which will utilize kenaf grown locally, and, in the field of tourism, the striking Mayan-design Managua Intercontinental hotel.

The resin plant is another stage in the development of Nicaragua's integrated chemical complex, which now includes a caustic soda-chlorine-insecticide complex, a polypropylene bag factory, the resin plant, a PVC plasticizing plant, and a turpentine, rosin, and pine oil plant. Early this year, a salt manufacturing plant will be inaugurated to supply the caustic soda-chlorine plant. A feasibility study for a polyethylene plant has been completed.

INFONAC has contracted the services of a U.S. consulting firm to review its prospective industrial program and select from its those projects most worthy of implementation. When this study is completed, it should provide useful guidelines for prospective investors in Nicaragua. AID extends loans to INFONAC for relending to industry. There are some $3.8 million of the AID loans as yet to be disbursed, and some $1.5 million uncommitted. INFONAC has contracted with a local steel fabricating firm for the prefabrication of 10 steel-hull shrimp trawlers per year. The trawlers will be assembled at a small shipyard in Corinto. This project will provide opportunities for exporters of shipyard equipment. The boats manufactured in Nicaragua will require motors, generators, running gear, and fishing equipment. Nicaragua's shrimp fisheries are still expanding. Under the new AID procurement rules permitting purchase in Latin America, U.S. trawler manufacturers will be competing with the easy credit terms offered by Mexico and Colombia.

The meat slaughterhouses certified for export are moving into processing of prepared meat and into portion control as well. Here is an opportunity for U.S. exporters of meat saws, scales, and packaging machinery. The possibility of exporting hides is being studied, presenting U.S. exporters with opportunities to sell leather-working equipment.

In the lumber industry, a feasibility study is presently in progress for a pulp and paper mill in Puerto Cabezas on Nicaragua's Atlantic coast to utilize the stands of Caribbean Pine presently growing in an INFONAC reforestation area. MADINSA, S.A., a sawmill and wood processing plant located at Bluefields on the Atlantic coast, in which both INFONAC and the Nicaraguan Investment Corporation (CNI) have equity interest, is going to construct a second corestock plant which will require an investment in plant and equipment of between $2 million and $3 million. Another lumber firm, located in Matagalpa, is building a dry kiln, and will import veneer slicers and equipment for a corestock plant.

In the mining industry, plans are in progress to double Nicaragua's copper production. A lead-zinc mine will soon commence operations, and apparently large deposits of molybdenum are being explored in the north. There will be opportunities for U.S. exporters of bulldozers, motor graders, loaders, stompers, and drilling equipment.

CNI, a private investment institution which also receives AID loans for industrial projects, has further advanced its plans for the construction of a 100-bed private hospital. CNI is also considering a bus assembly plant and a garment factory to utilize the fine fabric produced by the new textile mills.

To expand Nicaragua's tourist potential, CNI is also planning to renovate and refurbish an existing building to convert it into a 60-room hotel in Managua to be called El Presidente. In addition, CNI, which has equity interest in the 90-room Balmoral, completed last year, is planning a beach hotel of 40 cabins, which would be owned by the Balmoral. INFONAC is also interested in investing in a hotel, probably to be located on the highway from the airport to Managua.

Inversiones Nicaraguense de Desarrollo, S.A. (INDESA), another private investment institution with equity interests in many of Nicaragua's industries, is seeking joint venture capital for a variety of projects, including an industrial bakery, a jams and jellies plant, an animal feed plant, a tomato processing plant (which is contingent on the success of an INFONAC tomato growing project), and a milk products plants, among other possibilities.

In the area of infrastructure, AID in 1968 loaned the National Electric Light and Power Co. (ENALUF), an autonomous agency of the Government, $10.2 million for the construction of three rural electric cooperatives. This year, bids will be let for the materials and construction of transmission lines and substations for a high voltage system (138 kv's). ENALUF is also doubling the capacity of the thermal plant in Managua, and construction by a European firm is in progress for a 50,000 kilowatt hydroelectric plant in the north to supplement the Tuma hydroelectric development.

New roads are planned

In highway construction, the Government is concentrating on farm-to-market roads. The Central American Bank for Economic Integration (CABEI) has loaned Nicaragua funds for three feasibility studies for penetration roads. Feasibility study loans are under consideration for construction of about 1100 kilometers of farm-to-market roads. Talks have been initiated for financing a road linking Puerto Cabezas on Nicaragua's Atlantic northeast coast with the Pacific.

The World Bank is considering a loan of $5.25 million to the Corinto Port Authority for the port's expansion. The expansion would include the construction of two piers and additional storage facilities, plus the purchasing of cargo loading, unloading, and handling equipment.

Given the contraction in the economy and the tight monetary and fiscal policy of the Government, imports cannot rise significantly this year, and may in fact decline, especially in the area of capital goods for new plant and equipment. The conflict between El Salvador and Honduras has posed uncertainties for future investment in industries dependent on the Common Market, which may result in a period of hesitancy until the current difficulties are resolved. Notwithstanding these problems, the Common Market is steadily displacing external trade in consumer goods, but the new factories must be fed with raw materials and intermediate goods from abroad.

In this increasingly price-competitive, cost-conscious market, the key to U.S. retention of its traditional share is aggressive salesmanship and dependability of both product and service. In the long run, as the Nicaraguan economy again picks up momentum, U.S. sales, especially in the area of capital goods, should increase substantially so long as the U.S. exporter remains alert to the aggressive competitiveness of the European Common Market, England, and Japan.

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GIVING A LESSON on tablet making is Carroll D. Smith, left, IESC executive assigned to Laboratorios Finlay in San Pedro Sula, Honduras.

FORTY-SEVEN YEARS with Anderson, Clayton & Co. S/A in Mexico enabled Stephen S. Elliott of Austin to aid a Nicaraguan cotton ginning firm.

REVIEWING A CATTLE OPERATION in El Salvador was the job of former Colorado ranch owner Sidney F. Tyler, center, of Tucson, Ariz.

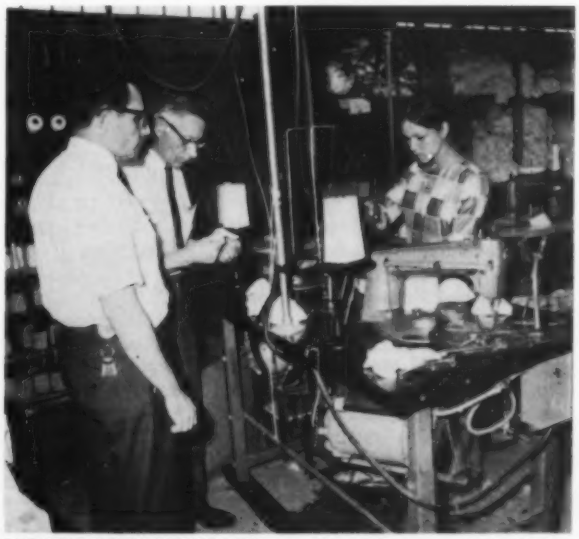
CACM enterprises are aided by IESC volunteers

Central American Common Market countries have accounted for a third of all projects in Latin America carried out by the International Executive Service Corps since IESC began operations in 1965. The New York-based non-profit organization has served 45 developing nations around the world (19 in Latin America) by "exporting" and applying the managerial know-how of seasoned U.S. businessmen (most of them retired) to the problems of enterprises of almost every kind.

Among Common Market countries, El Salvador heads the list in number of completed projects (100), with Nicaragua second (nearly 50), followed by Honduras, Guatemala, and Costa Rica.

Enterprises served have included: banks, savings and loans, and insurance firms; food production, processing, packaging, distribution; retail merchandising and wholesale operations in several fields; printing and publishing; appliance manufacture and distribution; construction and construction materials; and manufacture and distribution of office supplies.

RETIRED BOARD CHAIRMAN of Bern Porter Books, Bernard H. Porter, center, advised a Guatemala City manufacturer of educational materials.



SHOWING COSTA RICANS HOW to produce ladies garments is volunteer Bernard Latt, center, retired owner of Desert Mfg. Co. in Banning, Calif.

Mexico still moving along

Another good growth year with relative price stability is expected; businessmen are optimistic

By HENRY L. PITTS, JR., and RICHARD A. DUGSTAD
Commercial Officers
U.S. Embassy, Mexico City

Amid prospects for intensified industrial decentralization, more efficient production, and greater government stimulus to export promotion, Mexican business faces the seventies and a new administration with optimism. In spite of continued import restrictions, Mexico will remain a highly attractive market for both manufactured goods and capital goods. It continues to be the fifth best customer of the United States. Preliminary Mexican figures for 1969 show that the United States sold about $1.3 billion to Mexico, or some 63% of that country's imports, as in recent years; Mexico, in turn, sold about $900 million in the American market, or some 65% of total exports.

"Mexicanization," the process aimed at replacing foreign control with Mexican, will continue to receive top government attention. The Minister of Industry and Commerce recently noted that of some 650 new industrial projects approved in the last five years "almost all have involved 100% or majority Mexican capital." New projects established with majority foreign capital are authorized only when (1) the investment involved is beyond the scope of the national savings level, (2) the company is introducing highly complex technology, or (3) the major production is designed for the export market.

On the basis of extensive market investigation, the Department of Commerce this year will sponsor in Mexico two solo commercial exhibitions and an industry oriented trade mission. A May exhibit of Graphic Arts and Printing Equipment in Mexico City will be followed in June by a Food Processing and Packaging Trade Mission that will visit Monterrey and Guadalajara in addition to Mexico City. In November the Department of Commerce will stage a Business Systems Exhibition and Seminar in Mexico City.

Trade data and trends

In 1969, total imports of goods were held to a 6% growth, compared with 12.3% in 1968, while exports expanded by 16.7% compared with 7% in 1968. Two significant changes were seen in Mexico's 1969 foreign trade picture: a reduction in the chronic balance of trade deficit and a notable increase of some 37% in exports of manufactures.

Good export increases were made for cotton, sugar, wheat, mercury, fruits, vegetables, meat and tobacco. For manufactured goods, strong gains were made in electrical machines and parts, copper wire and cable, lead oxides, petroleum and its derivatives, general machine parts and automotive components and parts.

Japan moved up in 1969 to become Mexico's next best customer, at about $140 million, but this is less than 7% of exports. Mexico's exports to other nations of the Latin American Free Trade Association (LAFTA) made a dramatic increase of 38.4%. Imports were up by some 21%. A trade surplus also was registered in trade with Central America, with an increase of over 37% in manufactured goods alone.

Mexico's traditional exports of agricultural products and minerals are well diversified and are being expanded as rapidly as world demand permits, but the Government looks more and more to manufactured goods to provide increased export income. To compete extensively in the world market for manufactures, however, the prices and quality of many more of Mexico's products must be made internationally competitive.

The Government in 1969 cut back slightly on official imports as one measure designed to ameliorate the trade deficit, and reduced its public investment program in an effort to curb an inflationary trend. Although Mexico continually shows a trade deficit, the rising income from tourism and merchandise exports, extensive foreign borrowing and new foreign investment has enabled the country to sustain its fast-paced economic development with needed imports of capital goods.

For U.S. sales efforts in the expanding Mexican market, competition, mainly from Western Europe and Japan, is especially tough in technology and credit. Nevertheless, U.S. exporters have many advantages in Mexico. The country's nearby location means that the delivery of goods is quicker, transportation costs are lower, and service and technical assistance are easier to provide. Quality U.S. products are generally favored and the market is accustomed to them.

The market for most consumer goods is poor. Many such products are manufactured domestically, and imports of foreign competing products are usually restricted or excluded by controls intended to protect domestic producers and conserve foreign exchange. Prospects for imports of capital goods are favorable. Normally about 80% of total imports, they consist of such categories as natural and artificial rubber, petroleum and products, fertilizers, industrial chemicals, newsprint, insecticides, wool, plastic materials, industrial machinery and parts, motor vehicle components, transport and communications equipment, electric power equipment and aircraft and related equipment.

Mexico is moving ahead on its programs designed to produce both more consumer durable goods and some capital goods. The needs for industrial raw materials and equipment should continue to rise as the economy grows. U.S. exporters should follow developments closely to adjust to variations in Mexican import requirements.

Performance and prospects

Business in Mexico probably will have a growth year in 1970 very similar to 1969, when the gross national product (reaching some U.S.$29.5 billion) had a 6.4% increase in real terms, compared with 7.1% in 1968. Private investment, both Mexican and foreign, increased more than had been expected, despite higher credit costs. Partly as a result of decreased agricultural production due to adverse weather, somewhat greater pressures on prices were evident in 1969, but a new national consumer price index moved up only 3.5%.

The current account deficit was reduced $61 million in 1969 to $569 million, primarily as a result of the improved trade picture. Because of gains in the capital account, the balance of payments showed a surplus of U.S.$48 million. Gross reserves of the Bank of Mexico (the central bank) reached a record level of $718 million.

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Mexico's federal budget for 1970 shows an increase of 9.3% over 1969. Out of this budget, public investment is expected to increase by about 9-10%. Greater emphasis on private investment is anticipated as the Government adopts a more rigid deflationary policy toward public sector expansion. Private investment, which is usually about 60% of the total, is expected to rise by over 15% in 1970 to about $3,600 million. U.S. sources account for about 75% of over $2 billion foreign private investment in Mexico, much of it in joint ventures with local investors.

The Government has announced that there will be no increase in existing taxes in 1970, although there will be certain adjustments in order to maintain price stability on consumer products. Such adjustments, plus higher labor costs from new legislation and the biennial average minimum wage hike of 15% effective January 1970, may present some problems for business firms during 1970, although immediate increases in labor costs are expected to be not over 3%.

In spite of the recent slightly increased inflationary trend, purchasing power grew 25-28% from 1964 to 1969. Mexico's record of price stability ranks among the best in the world. Financial stability and a strong international credit position have made the Mexican peso one of the few international hard currencies. The peso has maintained its value of $0.08 since 1954.

No basic policy shifts for business are expected during the transition period of the next Administration. Although 1970 is the last year of a six-year presidential term, the usual increase in public investment is not likely to materialize unless recessionary tendencies appear, because of the Government's success in spreading major public works out over the entire period of this Administration. The ruling Institutional Revolutionary Party (PRI) selected its presidential candidate, Luis Echeverria Alvarez, in the fall of 1969. The business community expects no major policy changes under Echeverria, whose election is considered virtually assured next July, with his Administration taking office on Dec. 1, 1970.

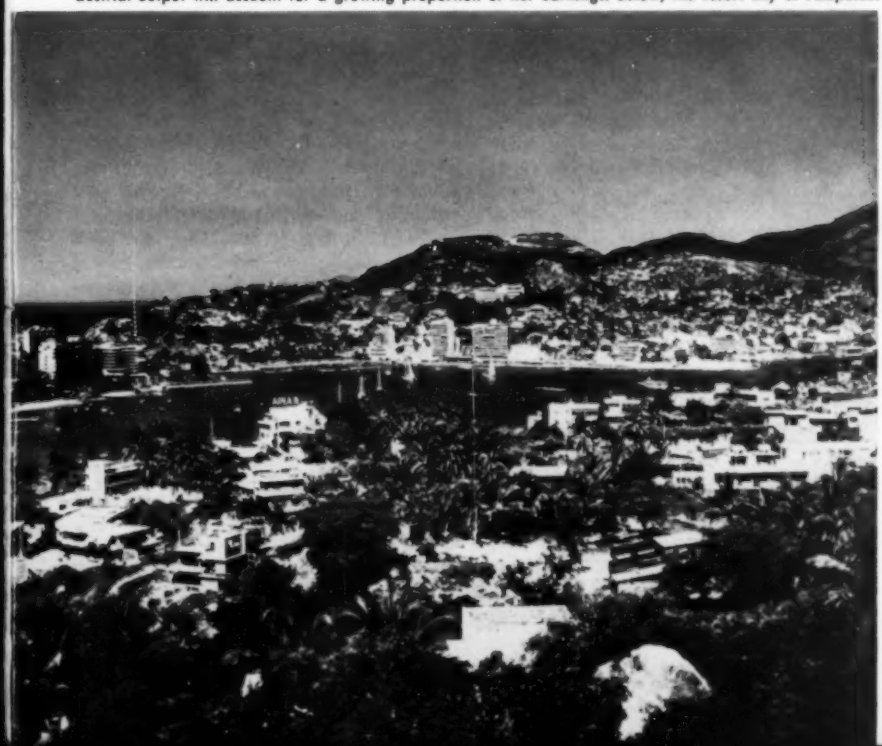
Official policies

There are various indications that the next Administration will provide a favorable and stable environment for business in Mexico, which should encourage private investment in 1970, but in the future "Mexicanization" may be more generally applied to both new and existing industries.

For foreign investment in general, it is not expected that 1970 will see any abrupt shifts from the previous policy in which the Government encourages joint ventures and looks at foreign investment as a complement of national investment, to be channeled carefully toward the activities which due to their structure and capital requirements cannot be satisfied by Mexican investment. This would apply particularly to areas that generate foreign exchange, such as the hotel and other aspects of the important tourist industry, or to those that enable substitution of imports, such as machinery and equipment industries based on advanced technology and costly research.

Government leaders have made it plain that local industry cannot afford the luxury of small, protected high-priced production and must prepare to meet international competition. The Government has taken several steps to reduce the traditional tariff protection afforded local producers under the policy of import substitution. The policy has not been discarded; but import permits have been liberalized for certain products and others are under study, procedures for obtaining import permits have been streamlined, and price differential protection for domestic goods has been reduced. This should provide a short range opportunity for exports to Mexico of certain consumer goods and a long range healthy prospect for increased sales of capital goods. Mexico faces the dilemma of needing to continue its strong protectionist policy in order to conserve its foreign exchange, while certain areas of its tariff protection must be eased in order to force increased efficiency among domestic manufacturers and thus promote increased exports of finished and semi-finished goods.

TOURISM WILL CONTINUE TO PLAY A BIG ROLE in U.S.-Mexican commercial relations, but Mexico's industrial output will account for a growing proportion of her earnings. Below, the resort city of Acapulco.



Export sales opportunities

Although Mexico has followed a policy in recent years of diversifying its sources of imports and its trade has increased markedly with its European, Asian and Latin American trading partners, total commercial transactions with the United States remain by far the most important. About two-thirds of its trade is with the United States as compared, for example, with about 4% with all of Latin America. Tourism will continue to be a major factor in our commercial intercourse, but manufactured goods will constitute a growing proportion of Mexico's sales to the United States.

Market analyses show important export opportunities to be found in a wide range of industrial areas in the Mexican market:

► A mobile exhibit sponsored by the Department of Commerce in March 1969 revealed an excellent market for industrial instruments and resulted in good immediate and potential sales.

► The Mexican textile industry is

ready for a complete modernization program, which should mean purchases of needed foreign machines and equipment.

► Prospects for imports of primary materials for the chemical and pharmaceutical industries will continue to be strong in view of the dynamic growth record in these areas.

► Mexico's purchases of telecommunications and electronic equipment are expected to continue in 1970 at a rapid pace as the country continues to expand its microwave system.

► Machine tools and metal working equipment generally will show increases as the Government continues its program of promoting domestic manufactures for export, which should also further stimulate the market for packaging machinery and equipment. The market for metal working machine tools is over $30 million, but the U.S. share is presently less than one-half. In September 1969, the Department of Commerce held in Mexico City a highly successful trade exhibition (EXPO-MAQ) of advanced machine tools, which resulted in an estimated sales total of $5 million.

► Although Mexico's production of steel continues to grow, an ample market for specialty steels and steel scrap can be expected to be strong throughout 1970.

► Mexico's paper industry is developing rapidly and the quality of paper produced is improving, but for the foreseeable future newsprint and specialty paper imports will be required. The United States has less than half of the $10 million market for imported paper mill equipment and machinery.

► Mexico's exports of automotive parts and components to its LAFTA trading partners increased fourfold in 1969, which will increase Mexican import demand for selected raw materials, as well as certain components and equipment for the automotive industry.

► U.S. producers and exporters of construction equipment, certain types of farm machinery, and water pumping and general irrigation equipment may count on increased sales opportunities in 1970, owing to the recent establishment of a rural development credit program that will provide financing of the above items as well as promote small-scale rural industries in some eleven Mexican states.

Mexico is developing an industrialized and urban economy with a growing consumer market. Installment credit is increasing in acceptance, and several credit card plans were introduced to the public in the past few years. Over 23% of Mexican homes now have television sets and 77% have radios, which accelerates the exposure of all income classes to consumer sales promotion.

The 1970 Census gives the Mexico City area over 8.5 million people, and indicates that more than 60% of total population is now urban.

Mexico has an impressive growth record over recent years and its prospects for 1970 as well as for the long term remain very good. Restrictive money and credit policies slowed the economy slightly toward the end of 1969, but these deflationary measures have not impaired business confidence nor plans for satisfactory levels of capital outlay in 1970. However, short-term and long-term problems do exist, some of which are the direct result of the very process of rapid economic development.

The Government is directing its efforts to ameliorate the country's difficulties in the areas of rural development, current account deficit, a steadily growing foreign debt, inequitable income distribution, urbanization with its varied social and economic pressures, and quality and production lags in certain sectors.

Can handle problems

Due to its relatively high income level and the economic and social infrastructure already established, Mexico is better able than most developing countries to handle its basic problems. It has attained self-sufficiency in food production and numbers among its chief exports: sugar, tomatoes, coffee, beef and shrimp. The next Administration will undoubtedly pay particular attention to the rural problem, especially in the formulation of programs involving technical assistance and increased credit facilities. It is especially important to raise the living standard in the rural sector and expand the market for domestic manufactures.

Mexico's long-term economic prospects are highly favorable, but they depend to a large extent on the degree of progress made in continuing the economy's steady growth. As the country continues its rapid industrialization pace, the chronic trade deficit can be expected to continue for some time in view of the obvious need for heavy imports of capital goods and raw materials. Substitution of imports is reaching its limit in many areas and world markets for Mexico's traditional commodity exports grow slowly. The trade gap can only be reduced significantly by giving more emphasis to the export of finished and semi-finished goods.

The dynamic and growing Mexican market will continue to challenge U.S. businessmen, many more of whom in 1970 will learn how to increase their sales or investments there despite problems of import controls and pressures for local equity participation.

$125 million loan from World Bank aids Mexico power

A World Bank loan of $125 million, combined with some $40 million from export financing institutions in major supplier countries, will help to finance Mexico's nation-wide electric power expansion program during 1970-71.

Total capital investment in electric power during the 1970-71 period is expected to be $491.4 million, which includes the programs of both CFE and Centro. The Bank loan and joint financing will be applied to the foreign exchange costs.

The major supplier countries which have agreed to provide joint financing of procurement undertaken under the present Bank loan are Belgium, Canada, France, Germany, Italy, Japan, Sweden, Switzerland, the United Kingdom and the United States. Financing will be provided on a 50-50 basis by the Bank and financial institutions of the participating countries for orders of more than $200,000 placed in each country, provided such orders in that country total $1 million or more.

The Bank will finance 100% of smaller orders for equipment placed in these countries, as well as orders placed in countries not providing joint financing. The proceeds of the loan will also be used in financing the foreign exchange component of orders awarded to local suppliers after international competitive bidding. Mexican suppliers will enjoy a 15% margin of preference with respect to offers from foreign suppliers.

The amount of loans from supplier countries will be known precisely only when contracts have been awarded after international competitive bidding, but indications thus far are that at least $40 million will come from this source.

This technique of financing, also used in the Bank's two most recent power loans in Mexico, provides a mechanism through which bilateral export credits are used to finance goods procured under unrestricted international competition for projects prepared and executed under the supervision of the Bank.

The Bank loan will be made jointly to Nacional Financiera, S.A., the official financing institution of the Mexican Government, and the Federal Electricity Commission, and will bear the guarantee of Mexico. It will be for a term of 20 years, including four years of grace, with interest at 7%.

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Panama back on course

Nation sets high growth goals for 1970's, aims at upgrading of education and public health

By WALTER H. LUBKEMAN

Commercial Attache,
U.S. Embassy, Panama City

Following the intensely political year of 1968, which seriously tested the resiliency of the economy, Panama entered the decade of the 1970's with the clear target of resuming the dramatic economic progress of the 1960's, when its gross domestic product averaged more than an 8% increase per year. Last year witnessed increased growth for the Panamanian economy, spurred primarily by a significant expansion in public expenditures. Real GDP is believed to have evidenced a 7-8% growth.

Other major contributors to this turnaround from the depressed 1968 performance were increased export earnings (primarily from bananas and refined petroleum products), increased income from the Canal Zone, and expanded proceeds from the Colon Free Zone. Panamanian planners anticipate a return to the 8+% growth rate in GDP.

The new Panama

As 1970 got under way, Panama appeared swept up in a beehive of activity. It had just dedicated the major sports facilities for the Eleventh Central American and Caribbean Games, which it hosted between Feb. 29-Mar. 14, and in which some 22 nations competed. The names of the four principal structures—New Panama, New Generation, Revolution, and Our Country, dramatize the spirit of national pride being promoted by the leaders of the nation.

The President of the Inter-American Development Bank (IDB) was in Panama and was reported to have signed loan agreements totaling more than $9 million for vocational education and agricultural and livestock programs.

The Provisional Junta Government, which took office in October 1968 following a military coup, announced a record budget of some $162 million for 1970, with priority placed on education and public health. Augmented by a heavy public component, construction permits issued during 1969 for the Province of Panama, where construction continues to be centered, set an all-time record. This volume of permits issued gave a somewhat exaggerated picture of actual construction activity, however, since it reflected last minute desires to take advantage of special tax advantages, especially in the month of November. The level of permits dropped below normal during the next two months.

While total demand has so far reacted positively to the efforts of the Government to increase it steadily, similar efforts to induce an increase in private investment have been less successful. Nonetheless, by word as well as by deed, the Panamanian Government has made clear its intention to continue to promote growth primarily within a private enterprise framework.

More attractive interest rates offered elsewhere and the unsettled domestic political situation have exerted some pressure on liquidity in Panama, in effect raising the cost of domestic investment. Several large projects to have been undertaken by private interests have been deferred, some inflationary pressure has developed, and there seems to have been some increase in urban unemployment, at least during the first half of 1969.

While granting full credit to the present Government's having instituted long-overdue reforms designed to make the public administration more efficient as well as to assure that economic benefits accrue to all citizens, local businessmen appear uncertain about proposed labor, social security and banking policy changes. While final action is still pending on all of them, the Government has demonstrated an inclination to be flexible in its decisions. When objections were voiced to a proposed package of significant tax increases, the Government eased the tax provisions.

Opportunities and challenges

The anticipated acceleration of economic growth in Panama presents dynamic opportunities for U.S. trade and investment capital. Panama's growing agricultural and manufacturing sectors, including interest in developing non-traditional exports, make food processing equipment, capital and semi-processed goods, and a wide range of consumer items attractive possibilities for U.S. companies.

Panamanian imports from over 78 countries totaled some $266 million (CIF) in 1968; preliminary information indicates that imports increased by some 7% during the first half of 1969 as compared with the same period of 1968. The U.S. share of this market has leveled out at about 40% over the past several years. If one discounts the value of the very large imports of crude petroleum which are processed and reexported, the effective U.S. share of the Panamanian market is considerably greater. A visitor to Panama immediately sees that U.S. manufactured goods are widely used in this important crossroads of world trade.

That said, however, U.S. business should not be complacent in viewing this expanding market. Competition is intense and is intensifying. For example, during 1969, Panama was visited by floating exhibitions from Japan and Yugoslavia; trade missions came from South Korea, Italy and several Central American countries; British help is enabling Panama to execute irrigation projects in interior areas; a British-German-Italian consortium has been reported to have received the Panamanian Government's approval to construct a $70-80 million oil pipeline across the Isthmus; Japanese and European companies continue to evidence deep interest in operating out of the Colon Free Zone to service Panama and other Latin American countries; an Ecuadorian bank opened offices in Panama; and a Jamaican firm, in association with a local company, has announced its intentions to undertake a $50 million land fill project in Panama City's Bay. The U.S. share of the Panamanian market has evidenced signs of some slippage following the last U.S. shipping strike.

Competition also has been generated from Panama's desire to promote its own industry. The manufacturing sector of Panama grew by an annual average of almost 9% during the 1960's. Since 1962, the use of import quotas has been the primary Panamanian governmental technique for protecting new industries, with some 175 items subject to quota protection by mid-1969. The Government, however, especially its Minister of Commerce and Industries, has indicated an intention to move away from quotas in favor of tariff protection for new industries. It has received technical advice from foreign experts in this policy field and appears convinced that the use of quotas in many instances has resulted in the creation of high-cost domestic industries, insulated from competition and utilizing few, if any, locally produced raw materials. The

quota system also makes it virtually impossible for the Government to ascertain the dimension of benefits granted to the projected industries.

The year 1970 promises a number of significant economic developments for Panama. The Panamanian Government has indicated its hope that arrangements for financing the closing of the Darien Gap in the Inter-American Highway will be assured this year. The President of the IDB has recently been reported in the local press as indicating that his institution would be willing to consider assisting Panama in financing the Panamanian share of the estimated $100 million project. It has also been announced that a high-level Panamanian delegation has gone to Washington to hold discussions with officials of the International Bank for Reconstruction and Development (IBRD) for financial assistance for the long-delayed El Bayano hydro-electric project, having an estimated cost of over $40 million. The local utility company, a U.S. subsidiary, is continuing to implement its multi-million dollar expansion program in the Panama City-Colon heartland of the country. Panama's principal banana producer, also a U.S. subsidiary, is implementing its multi-million dollar diversification and expansion program.

To announce decision

The Panamanian Government is expected to announce its decision this year as to the foreign firm or firms which will be granted the rights to develop the copper find located by United Nations experts. A U.S. company has submitted a feasibility study for a modern and expanded international airport outside Panama City. This estimated $30 million project reflects Panama's interest in maintaining its role as an important air terminus for tourists (it has been estimated that tourist receipts totaled over $30 million in 1969) as well as for cargo, including that from the Colon Free Zone. Since Panama enjoys good water and food, utilizes U.S. dollars (Panama does not print its own paper currency), offers attractively priced goods from around the world, has a population used to dealing with foreigners, and is blessed with long coastlines containing numerous lovely but undeveloped beach areas, Panama's Tourist Institute is actively seeking to enhance Panama as a tourist center, and not only for transit travelers. U.S. investors may wish to explore the tourist incentives offered by the Panamanian Government.

Panama, long a commercial center, has become used to high quality products offered at attractive prices. Lower prices and easier credit terms have enabled companies in other countries to displace a number of U.S. products. Too often U.S. companies insist on selling only on the basis of irrevocable letters of credit even to Panama's leading and most reputable importers.

Other observations which may be advanced to U.S. exporters would include:

► Greater attention to the provision of good installation and maintenance service for machinery and equipment. Too much reliance is often placed on local representatives who lack adequate, trained technical personnel.

► Prompt attention to correspondence. The Embassy's commercial office has noticed a significant increase in local complaints that many U.S. companies do not respond to commercial inquiries.

► Greater willingness to handle small orders. Japanese and European companies are much more prone to do this than are U.S. firms.

► The establishment of closer relations with Panamanian representatives, who often complain of the impersonality of relations with U.S. companies.

► Greater attention to the preparation of shipments to assure delivery of the ordered merchandise in good condition, together with the timely forwarding of properly-prepared shipping documents.

► Awareness of Panama's Cabinet Decree No. 344 of Oct. 31, 1969, regulating the rights and responsibilities under representational agreements. (The Dec. 22, 1969 issue of INTERNATIONAL COMMERCE, page 28, reviewed the provisions of the decree.)

In sum, many U.S. companies through errors of commission or omission do not make it obvious that they are sincerely interested in servicing this market on a continuing basis. This results in losing business, especially since there appears to be a definite built-in pro-U.S. bias on the part of the large majority of Panamanian businessmen, who received part of their education in U.S. schools and colleges, who know the U.S. product, and who appreciate that business from the United States should be faster and more efficiently conducted.

The Colon Free Zone

The Colon Free Zone is a 100-acre commercial enclave out of which some 500 business establishments operate. Total in-and-out Free Zone traffic in 1969 was about $400 million, an impressive increase over the 1968 total of $333 million. The number of Free Zone tenants has increased annually as international trade companies around the world have come to realize the advantages of servicing customers throughout Latin America from the centrally-located Free Zone, which is serviced by some 64 shipping lines that regularly call at the Cristobal piers as well as by some 26 scheduled airlines that transport cargo to and from Panama's Tocumen Airport. A Free Zone operation, either directly or through available management service firms who can provide warehousing and personnel for receiving, processing, labeling, repackaging, preparing shipments, and documentation, as well as billing and collection of funds, provides quicker customer service while enabling Latin American representatives to maintain smaller inventories through drawing on stocks from the Free Zone.

For further information about the Free Zone, U.S. companies may write directly to the Manager, Colon Free Zone, P.O. Box 1118, Colon, Republic of Panama, or the Colon Free Zone Office, 405 Park Ave., New York, N.Y. 10022.

THROUGH LONG EXPERIENCE AS A COMMERCIAL CENTER, Panama's buyers shop for attractive credit terms. Below, the Via Espana runs through Panama City's modern commercial district.

XUM

Argentine view brightens

Economy has rebounded from political storm last year; business has renewed confidence

By JOHN EDGAR WILLIAMS
Commercial Attache,
U.S. Embassy, Buenos Aires

At the beginning of the decade of the 70's, Argentina's prospects for continued economic growth seem bright. There are a few weak spots, but the general picture is one of increasing economic activity. The Argentine Government's program to maintain economic growth in 1970 is based on a reasonable degree of political stability, a drastically reduced rate of inflation, a realistic exchange rate, an adequate level of foreign exchange reserves, and a good investment climate.

WILLIAMS

The business community's confidence in the future was briefly shaken last year by a series of political disturbances and by the belief that a monetary devaluation was imminent. These factors led to a fairly sizeable outflow of capital during the last quarter of the year. However, the Government weathered the political storm and no devaluation was needed. The fact that these hurdles were passed has helped build confidence in the future. A number of American companies are expanding their activities, others have plans to do so, and several which have never operated in Argentina are planning to establish themselves there.

Program three years old

Argentina's economic stabilization program has now been in effect for three years. During that time inflation has been greatly reduced, the gross domestic product (GDP) has risen at a respectable rate, and the balance of payments situation has been generally satisfactory. During 1969 the cost of living index (yearly average) rose by 7.6%, compared to 16.2% in 1968, 29.2% in 1967, and an average of 35% for the preceding two years. This is truly a remarkable example of putting the brakes on inflation without bringing on economic stagnation. To prove the point, the GDP in 1969 rose by 6.9% over 1968, compared to a 4.8% increase in 1968 over 1967.

Short-term prospects for increased sales to Argentina are good, for several reasons. The Government has recently issued a decree designed to unify a maze of former regulations so as to make it simpler for Argentine industrialists to import capital equipment not available at reasonable quality and price in Argentina. Duty reductions have been announced on a number of industrial products. The Government seems firmly committed to the concept of stimulating increased efficiency in Argentine industry by permitting increased competition from imports. Furthermore, the Government is either participating directly in, or giving strong assistance to, a number of industrial and infrastructure projects which need large amounts of imported equipment and services. Examples are the Cerro Redondo-Comodoro Rivadavia pipeline, the Puerto Madryn aluminum plant with its related power complex at Futaleufu, and the Sierra Grande iron ore pelletizing plant. Large expenditures are planned on railway equipment, communications equipment, power transmission equipment, and port improvements.

In addition to these considerations, there is another important factor which should tend to stimulate Argentine purchases abroad. The Government's economic plans for this year call for a considerable increase in the percentage of GDP devoted to investment as opposed to consumption. Gross fixed domestic investment reached 21.5% of GDP in 1969, compared with 19.9% in 1968. The figure is expected to reach 22% in 1970. A much greater portion of the investment dollar than of the consumption dollar is spent on imports, since most consumer goods are produced in Argentina. About 31% of fixed investment goes into imports, while only about 7% of consumption goods are imported. Therefore, the expected increase in investment is a bullish factor for import prospects.

The figure for total imports in 1970 will almost certainly reach the high level of 1.54 billion dollars attained in 1969, and may exceed that figure by 5%. (Imports in 1969 were 31% above 1968.) Total exports in 1969 rose to 1.61 billion dollars, a jump of 17.7% over 1968. Export prospects for 1970 are good, earlier estimates having been raised for such major crops as wheat, corn, and sorghum.

The meat export outlook is clouded by uncertainties regarding the continuation of Britain's traditional purchases as well as by pressures of internal demand on exportable supplies. However, the foot-and-mouth disease problem has forced the Argentine meat-packing industry to diversify into cooked and canned meats. Exports of such meats have increased greatly in the past two or three years, and are likely to continue to grow.

Industrial exports should also increase. The Argentine Government has been actively encouraging industrial exports through various incentive programs. It particularly encourages foreign investment in industries which have export plans. And the policy of reducing duties on capital and intermediate goods, begun in 1967, is now paying off in increased industrial efficiency.

A good year for Argentine exports in 1970, of course, will mean that the ever-present pressures to restrain imports will be weaker. Import regulations are likely to be administered with greater flexibility than they might be if exports were sluggish.

For imports to continue to increase, however, Argentina will need to maintain or improve access to foreign markets for

INCREASED INDUSTRIAL EFFICIENCY has resulted from Argentina's policy of encouraging foreign investment in industries with export prospects. Below, antibiotics production at Squibb's Argentina plant.

INCREASINGLY CLOSE TIES beween trade and investment are foreseen by the Argentine Government, with emphasis on producing import substitutes. Above, the Sylvania plant at Martinez.

its own goods, both primary and manufactured products. There is a strong feeling in Argentina that trade between any pair of trading partners should be at least roughly in balance.

Best prospects for increased exports to Argentina under the new industrial reequipment decrees are capital goods for these industries: paper, tires, automobile parts, petrochemicals, metallurgy, sewing machines, electric motors, pumps and compressors, refractory materials and ceramics. Prospects are also good for data processing equipment. Argentina, however, cannot be considered simply a buyer of manufactured goods and a seller of raw materials. Argentina's burgeoning industries are creating better markets for industrial raw materials such as scrap steel and good quality coal.

A few words of caution are necessary. If the Argentine Government can continue to hold the line against excessive inflation, Argentine buyers of foreign goods will be less willing to pay high prices for machines and equipment on the theory that inflation will steadily increase their value in local currency. Argentine buyers can be expected to drive sharper price bargains and to be more demanding on terms.

U.S. industrial goods will face stiffer foreign competition. In the past year, the European countries and Japan have been stepping up their sales efforts, and this year there will be even stronger campaigns. Britain, France and the Netherlands plan major industrial exhibitions in Buenos Aires this year, in recognition of the increasing potential of the Argentine market. They hope to cut deeply into our 22-23% of the Argentine import market.

It is becoming ever more important for American exporters to have good agents or distributors on the spot and to make maximum use of the financing facilities Eximbank offers for exports to Argentina, in addition to other available financing.

In the view of the Argentine Government, there is an increasingly close tie between trade and investment. In attempting to promote the growth of efficient industry in Argentina, the Government encourages joint ventures under which a significant share of goods which might have been imported are instead manufactured in Argentina. Companies submitting bids in large international tenders frequently find it to their advantage to seek local partners to manufacture some of the parts and components. Under these circumstances, the Government normally permits imports of the necessary capital equipment at reduced duty rates.

To sum up, Argentina is a sizable and sophisticated market. It has a larger middle class, with higher per-capita purchasing power than most other developing countries. The consumer knows quality goods and is willing to pay for them. The large consumer goods industry creates an excellent market for capital equipment. American products are known and respected, but European and Japanese products are gaining ground. In order to keep or expand our share of the market, increased sales efforts will be necessary.

Canada takes second step in anti-cyclamate program

The Canadian Government has announced the implementation of the second step in its program to phase out the use of cyclamates in Canada.

The first step prohibited the sale of dietetic soft drinks and mixes on Nov. 30, 1969. The second step in this program prohibited, effective Apr. 1, the sale of the following types of foods containing cyclamates—fruit spreads, frozen and other desserts, confectionery, table syrups, dressings and toppings. A revision to the Canadian Food and Drug Regulations will be enacted to implement this decision.

The Dec. 8 issue of INTERNATIONAL COMMERCE contained the complete schedule of Canada's program to eliminate cyclamates in foods, and said that the intent of such a schedule was to allow diabetics and persons undergoing medical treatment sufficient time for their diets to be modified. While the Minister of National Health and Welfare emphasized that the danger to humans from cyclamates is undoubtedly very small, he felt it essential that the Canadian Government take this action to allow for the greatest possible protection of public health.

Further announcements regarding the disposition of the remaining foods containing cyclamates are expected to be issued prior to Sept. 1.

Chile water, sewage systems get $3 million IDB loan

The Inter-American Bank has approved a loan equivalent to $3 million to help improve and expand the water supply and sewage facilities in Valparaiso and Vina del Mar, Chile.

The loan was extened to the municipal governments of those two Pacific coast cities and will be used to install sewer mains, water distribution systems and household connections in the low-income hillside districts of both urban areas.

The program calls for the installation of about 213,000 yards of sewer pipes, 127,000 yards of drinking water pipes, 14,300 sewer and 8,900 water connections to new distribution networks, and 5,000 sewer and 3,000 water connections to existing networks. In addition, water meters will be purchased and 2,142 household sanitary facilities will be installed.

XUM

World Bank to lend Panama $42 million for power production

Country to undertake its first large hydroelectric project

Panama will undertake its first large hydroelectric project with the assistance of a World Bank loan of $42 million. The Bayano project, together with other installations to be financed, will add 196 megawatts, more than doubling the generating capacity of the country's public power supply. Most of the additional power will be fed into the Metropolitan System serving Panama City and Colon. Provision is also made to increase supplies to rural consumers.

The loan will be made to Instituto de Recursos Hidraulicos y Electrificacion (IRHE), the Bank reports, and will be guaranteed by the Republic of Panama. It will be for a term of 25 years, including 6 years of grace, and will bear interest at the rate of 7% per annum. The Northern Trust Co., Chicago, is taking $50,000 of the first maturity.

Apart from the Canal Zone which has its own power supply, Panama's total generating capacity is about 155 megawatts. IRHE now generates about 50 megawatts and the rest is owned and operated by private companies. IRHE's entry into the electric power sector began in 1962 when the World Bank made a loan of $4 million for the 6-megawatt La Yeguada hydroelectric plant in the Central Provinces and for diesel units and distribution expansion.

Implementation of the project now being financed will convert IRHE from a small rural-oriented utility into the major electric power entity in Panama. It now has the exclusive right to construct and operate all new sources of generation in the country, selling power wholesale to private retailers.

Expansion program

The project being assisted by the Bank loan constitutes the major part of IRHE's expansion program for the eight years 1969 through 1976. It consists of the construction of the first stage of the Bayano hydroelectric development which includes construction of a main dam and auxiliary dam, a powerhouse with two 75-megawatt units, a 50-mile transmission line to Panama City and a receiving substation; installation of a 40-megawatt steam unit at the Las Minas plant on the Atlantic Coast, together with a 34-mile transmission line to Panama City; 6 megawatts of additional diesel capacity for the Central Provinces and the western part of Panama Province, including substation facilities; expansion of isolated distribution systems including the addition of small diesel units during 1970-72; a comprehensive survey of future electric power development, and overseas training for IRHE's staff.

Total estimated cost of the project is equivalent to $58.3 million. The Bank loan of $42 million will cover the foreign exchange requirements. The remaining costs will be met by the Government and by IRHE from its own resources.

The annual growth rate of power sales in the Metropolitan System has averaged 10% for about 20 years. Future demand for power in the System will be met by IRHE. The private company serving the Metropolitan System and the Panama Canal Company serving the Canal Zone will be IRHE's two main wholesale customers. Until recently the connection between the Canal Zone and the Metropolitan System was primarily for the exchange of emergency power but the Canal Zone has recently signed a 25-year contract with IRHE to purchase 30 megawatts from its Las Minas plant.

IRHE serves some 19,000 rural consumers in about 50 different locations through small isolated plants as well as the Central Provinces and Panama West. IRHE intends to connect the latter regions to the Metropolitan System by transmission lines in 1975 when demand will have increased and the Bayano plant is in operation.

U.S. trade deficit with Germany shrinks

The U.S. trade deficit with Germany shrunk considerably in the past year as U.S. exports to Germany continue to set new records.

During 1969 U.S. exports climbed to $2.6 billion, which represents a 19% increase over the previous year. Imports from Germany, on the other hand, showed only a marginal increase of 0.7% above the 1968 level, reaching $2.7 billion. As a result the U.S. trade deficit with Germany dropped from $497.6 million in 1968 to $102 million in 1969.

This improvement stems from the sharp increase in Germany's demand for raw materials and manufactured goods as well as from the German Mark revaluation which made U.S. goods more competitive in the German market.

Cyprus amends its tariff rate schedule

Changes to give boost to local industries and agriculture

The Cyprus Government has amended its schedule of tariff rates, to give a boost to local industries and agriculture.

With the exception of a few items on which the rate was increased to protect "infant" industries, the revisions are duty reductions on imported basic and intermediate materials used by food processors, clothiers, the shoe industry, and manufacturers of bedding, travel goods, and gas heaters.

Items on which the tariff rates were reduced include: vanilla, prepared or preserved fish, cereal preparations used in meat canning, toluole and toluene, photographic films, plastic materials for packaging shirts, plastic angles and handles for travel goods, rubber items for machinery, shoe leathers, trimmings for clothing, mattress wadding, glass fabric and yarn, pruning scissors, non-domestic electric circuit breakers, hand driven tractors, and fountain pens of precious metals.

Rates were increased on biscuits and cakes, plastic toilet seats, pipes of iron or steel with an internal diameter of ½ inch to 4 inches, and gas heaters.

Duty rates on specific items may be obtained from the Near East-South Asia Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230. When requesting such information, the product should be identified by the Brussels Tariff Nomenclature, the U.N. Standard International Trade Classification, the U.S. Schedule B export commodity number, or by a complete product description.

French and German manufacturers offer several products to American concerns

Items for licensing include ready-to-wear clothing for women, runabout vehicles, reluctance engines and air purification equipment

American companies are being offered several products by manufacturers in France and Germany. The products include: women's ready-to-wear clothing; an incinerator plant; an electronic runabout vehicle; variable reluctance engine; and air purification equipment.

For the name and address of the firm and any additional material available, **write** the Office of International Investment, BIC-874, Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned each opportunity listed below.

• A French ready-to-wear firm offers licensing rights to their latest styles of misses' clothing. The firm claims they have increased their chain store operations sales by 50% over the last three years, principally due to adding the exclusive line of misses' clothing. Practically all types of suitable fabrics are utilized. **File 1856.**

• A French firm wishes to license the manufacture of an incinerating plant to burn the solid waste materials of towns in the 20,000 to 250,000 inhabitants category using oil burners or natural gas.

The plant is patented in the U.S. and is reported to have the following advantages: 1) It is not necessary to have a building to protect the plant. 2) It can be easily dismantled and erected elsewhere. 3) It is not necessary to have large foundations under the plant. 4) Two plants might be erected side by side and have the same chimney.

This plant should burn plastic, glass bottles, wood, rubber products, etc. without smoke or odors as the inside temperature of the furnace is 1100 degrees centigrade.

It is stated that the plant will meet the most stringent of regulations against air pollution. **File 1857.**

• A French firm offers licensing arrangements for manufacturing their newly developed three-wheel, two-seat pollution free, electronic runabout.

Electronically controlled motors integrated with the drive wheels afford electronic and electrical linkage between a driver and wheels, eliminating any mechanical connections.

There are no pedals or steering wheels, instead all functions are controlled from a single lever held in the driver's hand. The vehicle carries two persons, has a range of 31 to 50 miles and speeds of 9, 17, or 31 miles per hour depending on use.

The weight is 220 lb., plus 175 lb. of battery. There are seven mechanical components including the wheels. Maintenance is very simple: no lubricating, no oil change, no radiator. The batteries have to be recharged regularly. Battery life is estimated to be 2 to 4 years depending on use. Cost of the vehicle is estimated at $600 and operating costs at $.31 per 100 miles. **File 1858.**

• A French firm offers licensing arrangements for their variable reluctance motor intended for electric traction and electric transmission. The motor is designed to use rotors with teeth of rarified and saturated ferromagnetic materials that achieves improvements in power-to-weight ratios and efficiency.

Patented in the U.S., the engine reportedly is lighter, simpler, stronger and less expensive than conventional electric engines. **File 1859.**

• A German firm is seeking a licensing agreement with U.S. manufacturers having facilities to produce dust collection, air filtering and air purification equipment.

The firm has worked exclusively in the field of industrial dust collection and maintains extensive research and development facilities. They design and manufacture; dry electro-filters, irrigated electro-filters, bag filters, cyclones, and batteries of cyclones. **File 1860.**

Pots and pans firm wishes surface treatment license

A French manufacturer of kitchen pots and pans is seeking licensing rights for processes used in the surface treatment of aluminum used in making their products.

Write: Societe Francaise des Metaux Ouvres "Le Trefle", route de Saint-Loup, 70, Vesoul, France. WTD. **P-70481.**

Collaboration on expansion goal of Mexico City store

A Mexico City clothing store is interested in a joint venture with a U.S. department store or retail chain for the expansion and diversification of its present operation. The firm is seeking merchandising know-how and financial participation from potential collaborators. The concern also has an affiliate in Monterrey which would be included in the enlargement of its activities.

Write: Almacenes Colorin, S.A., Republica de Chile 27-A y B, Mexico, D.F. WTD. **P-70485.**

Ties with U.S. financial firm goal of Cyprus organization

A Cypriot firm of insurance brokers is interested in a joint venture with a U.S. financial organization to establish a finance company. Plans provide for the new facility to operate partly as a savings bank and partly as a building loan association. It would accept deposits, invest surplus funds and make loans to purchase homes.

Technical management and capital collaboration of $200,000 is desired from a U.S. partner. There is no other Cypriot organization offering the services proposed by this firm for which a strong demand exists at this time.

Write: Kemal Rustem & Brother, 24 Kyrenia Ave., P.O. Box 1873, Nicosia, Cyprus. WTD. **P-70471.**

Spanish boxcalf producer interested in American ties

A Spanish firm producing boxcalf for making shoe uppers is seeking an American firm which is interested in providing technical assistance or manufacturing licenses for improving the quality of its product.

The company is anxious to employ the newest manufacturing methods and processes and is especially interested in acquiring machinery, equipment and raw materials for this purpose. Participation in the management of the company, capital stock and exclusive rights for the export of shoe uppers manufactured by the firm are available to a potential partner.

Write, either in French or Spanish to: Industrias del Arlanzon, S.A., Capiscol 23 (Apartado Postal No. 51), Burgos, Spain. WTD. **P-70484.**

XUM

Partner to aid developing Brazilian hot spring resort sought by 15 businessmen

A group of 15 Brazilian businessmen is seeking a U.S. partner for a hot spring resort in Caldas Novas, State of Goias. A natural hot spring exists at the site of the resort located about 240 miles from Brazilia. Financial and technical collaboration are needed for the venture, which is estimated to cost approximately $1.6 million. Equity up to 50% is offered to potential collaborators. An airstrip exists at the resort site; paved highways to Caldas Novas are to be completed in April. Power lines and sewerage facilities are also nearing completion in the area.

Write: ORBEG (Organizacao Brasileira de Empresas Gerais, S.A.), Rua 8, No. 394, Centro, Goiania, Goias, Brazil. **P-70482.**

A more detailed description of plans for the resort, including some market data is available on request from the Office of International Investment, Dept. of Commerce, BIC-878, Washington, D.C. 20230.

Collapsible container totes liquids, solids; offered to U.S. firms under licenses

An Iranian engineer working in Tanzania has invented a collapsible container which can carry either bulk liquid or solid cargo, and is offering it to U.S. firms under licensing. Reportedly tests indicate the product has qualities superior to collapsible rubber containers commonly used under similar circumstances.

According to the engineer, the collapsible container can be built on the chassis of a truck, or be carried separately. It can adapt to shipping by train, ship or aircraft. The mounting of massive trucking operations from Dar-Es-Salaam to the Zambian copper belt to carry bulk liquids in one direction and solid cargo back, has afforded an opportunity to successfully test the practicability of this unusual container in actual use.

The product is in manufacturing process in an established plant and patent protection is afforded. The owner of the product and process is interested in licensing the manufacture in the U.S. **File 1861.**

For the name and address of the firm and other available data, **write:** Office of International Investment, BIC-874, Department of Commerce, Washington, D.C. 20230, referring to the File number.

Yugoslav firm seeks partner for nickel development venture

A Yugoslav firm, FENI, headquartered in Macedonia, is interested in American partners for a $92 million nickel mining and processing project. The company wishes to exploit a 45.8 million ton ferro nickel deposit at Rzanovo at the rate of 1.86 million tons per year. A geologic assay of the deposits shows Fe 30.94%, Ni-1.036%, Co. .06% and Cr 1.55%. Major facilities planned for this venture include a 50,000 ton smelter; an oxygen plant; transformer stations; water supply softening and distribution systems; laboratory, service and maintenance buildings; access roads; and a power plant with 55 miles of transmission line. The Yugoslav Railways have agreed to construct a 25 mile rail line from the mines to the smelter.

The American partner would be asked to extend credits and participate between 25 and 49% of the total cost of joint investment. Under Yugoslav joint investment regulations, the foreign investor share may not exceed 49%; however profit splits and policy control are not necessarily limited to this ratio, and are negotiable between the partners. FENI envisages credit repayment and profit repatriation to be undertaken through nickel shipments.

Write: Zoran Andrejevic, FENI, Kolarceva 8, Belgrade, Yugoslavia. **P-70490.**

A copy of the FENI proposal containing additional details is available from the Office of International Investment, Department of Commerce, BIC-878, Washington, D.C. 20230.

Brussels company wants U.S. licensing agreement

A Brussels firm is interested in a licensing agreement with a U.S. firm to manufacture and/or assemble small medical and laboratory apparatus and hydraulic systems for general industry use.

The company engages in the construction and sale of electric power relays, panelboards and distribution boards.

Write: Mr. Borsen, c/o Etablissements BEACE, 116 Rue Gray, 1040 Brussels, Belgium. WTD **P-70475.**

Credit will buy U.S. power equipment for Jamaica plant

A $16 million credit authorized by the Export-Import Bank of the United States in favor of Jamaica Public Service Co. will finance the purchase of U.S. equipment and related services for installation of a 68-megawatt generating unit at Old Harbour Bay, together with necessary transmission and distribution facilities.

JPSC, a private company in Jamaica, is the sole supplier of electric power to the general public. There has been an increased demand for electric power there due to overall economic development and the extension of electric service.

The expansion program for the firm's No. 3 steam power plant is expected to be completed by 1971 at a total cost of approximately $24 million, including local locts. Engineering studies of the project were made by Stone and Webster Management Consultants. U.S. suppliers of the transmission and distribution equipment have not yet been selected.

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

Dates for UN Committee on Housing, Building and Planning announced

The United Nation's Economic and Social Council has announced that the Committee on Housing, Building and Planning (HBP) will conduct its Thirty-First Session at the Palais des Nations in Geneva from Sept. 1-4. The Session will be preceded by the Second Session of the Working Party on Housing Aug. 26-28 and 31. The Committee Session will be followed by a comprehensive study tour to Yugoslavia, details on which will be given in the HBP Committee's Working Paper No. 246.

Activities of the Session include election of officers; exchanges of views on current trends and policies in the fields of housing, building and planning; reports on projects concerned with socio-economic aspects of housing, projects concerned with construction and building materials, projects concerned with urban renewal and physical planning, and projects cutting across the three fields of housing, building and planning; presentation of programs on work and priorities, and study tours, and recommendations for a schedule of meetings; and a report on cooperation with other parts of the United Nations and its specialized agencies and with other international organizations.

Copies of the complete announcement, which contain additional detailed information, are available from the Construction and Building Materials Division, BDSA-645, Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), and Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. (415-556-5868).

Variety of equipment sought by East Pakistan agency

The Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2; Cable "Supply" Dacca, has issued a Tender No. S-10/50/182/365/49(65-66) for equipment and tools for airconditioning and refrigeration, equipment for hydraulic laboratory, electrical goods, etc. The procurement will be financed by IDA Credit No. 49-Pak.; bid deadline 10 a.m., May 6, 1970.

Tender documents are available from the above address for Rs. 10/- (U.S. $1 = Rs. 4.7619) or on a short-term loan basis to firms located in the U.S. from the International Liaison and Trade Opportunities Staff, BDSA-541, Room 4057, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-4674).

Guatemala announces tendering for tunnel and road project

The Government of Guatemala invites bids on two water tunnels and road construction projects for the Acueducto Nacional "Xaya-Pixcaya," the new water supply system for the metropolitan area. The works, Tender No. T-1, include approximately 10,000 meters of 2.2 water diameter tunnels and the improvement and construction of access roads leading to the tunnels.

This project is being supervised by the Unidad Ejecutora, Acueducto Nacional Xava-Pixcaya, the Ministerio de Communicaciones y Obras Publicas, Aeropuedto La Aurora, Zona de Aeronautica Civil, Zona 13, Guatemala, and complete specifications are available from that office upon delivery of 500 sheets of SCM 33 Electrostatic photocopy paper (legal size).

Plans and specifications for the overall water project are available upon delivery of 50 yards of 42" wide heliographic paper. Bids should be presented in Spanish in sealed envelopes, indicating their contents. Funds will be allocated by the Guatemalan Government from an outstanding credit line committed by the Inter-american Development Bank. Bid deadline is April 28, 9:00 a.m.

Information on this project is also available from the Departamento de Bienes, Nacionales y Licitaciones, 3a. Calle 3-49, Zona 1, Guatemala City, Guatemala.

Hong Kong seeks radar for international airport

The Civil Aviation Department, Hong Kong, has issued Tender No. DCA/FAC/25 EXT for the supply of radar equipment. The bid deadline is May 15. Bids should offer a precision approach radar for the Hong Kong International Airport.

Tenders will be accepted only through Hong Kong agents of U.S. firms registered with or through Crown agents, 4 Millbank St., London, S.W.1.

Copies of the tender announcement and specifications are available from the Civil Aviation Department, Central Government Offices (West Wing) 5/F, Ice House St., Hong Kong or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Irish agency desires transmission equipment

The Engineer-In-Chief, Contracts Section, Department of Posts and Telegraphs, Ireland, has issued Tender No. C/513/4/23 for the supply, installation and testing of terminal transmission equipment. The bid deadline is April 23 at 4 p.m.

Bids should offer terminal transmission equipment for applications with radio links having a 960 telephone channel capacity and coaxial cable links with 960 telephone channel capacity.

Copies of the tender announcement and specifications are available from the Engineer-In-Chief, Contracts Section, Department of Posts and Telegraphs, Hawkin's House, Dublin 2, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Burmese brewery to be built; project on semi-turnkey basis

Executive Director, Industrial Development Corp., 192 Kaba Aye Pagoda Road, Rangoon, has issued a tender for the design, supply and installation, on a semi-turnkey basis, of a complete brewery with a capacity to produce 1,440,000 imperial gallons of beer, operating on a single shift of 7 hours and 20 minutes per day (5½ working days per week), 250 days per year. Also, the successful bidder will be required to train Burmese technicians in the tenderer's country, or in other countries, for technology, process, plant operation and maintenance. The bid deadline is July 2.

Copies of the specifications are available on a 5 day loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

Argentina making plans to erect sodium carbonate installation

The Argentine Republic, Secretariat of Industry and Domestic Trade, Diagonal Julio A. Roca 651, Buenos Aires, has issued a tender for the installation, functioning and setting up of a plant capable of producing a minimum of 200,000 tons of sodium carbonate per year. The bid deadline is August 25.

Specifications in Spanish can be purchased for $143 from the Argentine Embassy, 1600 New Hampshire Ave., NW., Washington, D.C. 20009.

Technical software services wanted by SHAPE office

The Purchasing and Contracting Office, Ace Communications and Electronics Equipment, Communications and Electronics Division, SHAPE, B 7010 Belgium, has issued Tender No. 70-01 PS/MEB for the supply of technical software services. The bid deadline is May 15.

Bids should offer technical software services for automatic data processing equipment.

Copies of the tender announcement and specifications are available from the Purchasing and Contracting Office, Ace Communications and Electronics Equipment, Communications and Electronics Division, SHAPE, B-7010 BELGIUM, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

Haiti lengthens bid deadline

Firms interested in tendering on the various projects concerned with building an industrial park in Haiti (see INTERNATIONAL COMMERCE, Feb. 23 or *Commerce Business Daily*, Feb. 17) are hereby notified that the bid deadline has been extended to April 17.

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Afghanistan to purchase supply of pumps; April deadline announced

Mr. J. Duester, Supply Manager of the Agricultural Development Bank of Afghanistan wishes to purchase 50 and alternatively 100 centrifugal water pumps with the following specifications: capacity, 3-6 m³/ minute (1.7-3.9 cusecs); head, 5-15 m (16-50 ft.); flanges, suction 5″-6″, delivery 4″-5″; and same quantities of diesel engines, 20-25 hp, slow speed for belt-drive or high speed for direct drive.

Also included are: suction head with suction pipe and preferably also delivery pipes, one set of fitting and installation material and one set of tools. The Bank reserves the right to order only part of the offered quantities. The bid deadline is April 15. It is suggested that the bids to Mr. J. Duester, address above, be submitted in care of Commercial Officer, Kabul-Dept. of State, Washington, D.C. 20521.

Copies of the specifications are available on a 5-day loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

Single channel carrier equipment requested by Pakistan agency

The Divisional Engineer, T & T Directorate General, Karachi, has issued Tender No. 5-4/69/752 for the supply of carrier equipment. The bid deadline is May 11.

Bids should offer single channel subscriber carrier equipment and should conform to CCITT standards.

Copies of the tender announcement and specifications are available from M.N.A. Kirmani, Divisional Engineer, T & T Directorate General, Block 12, Room 2, Karachi 1, Pakistan, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Dredging, maintenance contract to be let by Argentina

The Argentine Secretariat of Public Works and Transportation (Secretaria de Estado de Obras Publicas y Transporte, Direccion Nacional de Construcciones Portuarias y Vias Navegables), announces a call for international bids on dredging and maintenance of the access channel to the ports of Mar del Plata and Quequen in the Province of Buenos Aires. Tender No. N°3-OP.

Tenders will be opened on June 16 at the following address: Edificio SEOPT, Direccion General de Administracion, Avenida 9 de Julio 1925, Buenos Aires.

Bidding documents may be purchased at the above office for $75 m/n (US$21.45). A set of these documents is available for consultation at the Argentine Embassy in Washington, D.C.

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Direct Sales

Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.

084 Gathering of gums, barks

08420—GERMANY—Natural resin. Stoeber KG, Chemikalien, Oele, Fette (importer), 2000 Hamburg 1, Spaldingstrasse 70. WTD 11/69.

201 Meat products

20119 — GERMANY — Prefinished hides, skins and pelts of sheep and lamb velours for manufacture of ready-made clothing. Requests price quotations c.i.f. Hamburg or Bremen. Alef Bekleidungsfabrik Georg Kaufmann (importer, distributor, manufacturer, exporter), 5105 Laurensberg, Roermonderstrasse 21. WTD 2/70.

202 Dairy products

20231—TAIWAN—Cream substitutes. Fida Trading Co., Ltd. (importer, distributor), 168 Hsin Yi Road, Section 3, Taipei. WTD in preparation.

203 Canning, preserving foods

20332 — TAIWAN — Canned cream style corn; other canned foods. Fida Trading Co., Ltd. (importer, distributor), 168 Hsin Yi Road, Section 3, Taipei. WTD in preparation.

20341—TAIWAN—Raisins, 30 lbs. package. Fida Trading Co., Ltd. (importer, distributor), 168 Hsin Yi Road, Section 3, Taipei. WTD in preparation.

204 Grain mill products

20460—BRAZIL—Corn starch, for use in making ice cream. Quantity desired: 20/30 tons, annually. GELAR S. A.-Industrias Alimenticias (importer, manufacturer), Avenida Senador Lemos 3253, Bairro Sacramenta, Belem, Para. WTD 3/70.

229 Textile goods

22930—SWITZERLAND—Hair and similar materials for manufacture of carpets. Direct purchase and agency. Geroma Service AG; Attn: N. Vanoers (manufacturer, agent), Widacherring 6, 6102 Malters-Lucerne. WTD 1/70.

239 Fabricated textile products

23920 — NETHERLANDS — Ornamental cushions, teacosies, similar fancy textile wares. Exclusive representations requested for Common Market countries. Textielindustrie "Forte," Attn: H. Boom (importer, distributor, manufacturer), 34 Victorieplein, Amsterdam. WTD 3/70.

23930—NETHERLANDS—Small fancy textile wares, such as printed or embroidered bags, etc. Exclusive representations requested for Common Market countries. Textielindustrie "Forte," Attn: H. Boom (importer, distributor, manufacturer), 34 Victorieplein, Amsterdam. WTD 3/70.

262 Paper mills, products

26217 — AFGHANISTAN — Paper, freezer, for wrapping meat or poultry. Jim Clifton USAID/A Mission (Agriculture), Kabul.

271 Newspapers: publishing, publishing & printing

27111—ITALY—Newspapers, morning and evening combinations. La Casa del Giornale (importer, distributor, retailer), Via Cedronio 27, 80132 Napoli. WTD 7/69.

272 Periodicals: publishing, publishing & printing

27215 — ITALY — General periodicals. La Casa del Giornale (importer, distributor, retailer), Via Cedronio 27, 80132 Napoli. WTD 7/69.

273 Books

27311 — ITALY — Books, paperbound. La Casa del Giornale (importer, distributor, retailer), Via Cedronio 27, 80132 Napoli. WTD 7/69.

282 Synthetic materials

28230—SWITZERLAND—Synthetic fibers and horsehair as well as similar materials for manufacture of carpets. Direct purchase and agency. Geroma Service AG; Attn: N. Vanoers (manufacturer, agent), Widacherring 6, 6102 Malters-Lucerne. WTD 1/70.

285 Paints, varnishes, lacquers, enamels

28517—SWITZERLAND—In and outside varnishes and lacquers for tubes and aerosol cans; varnishes and lacquers for industrial applications: for washing machines, refrigerators, etc.; quick-drying lacquers. Kolack AG (importer, distributor, manufacturer), Benkenerstrasse, 8722 Kaltbrunn. WTD in preparation.

289 Chemical products

● **28900—REPUBLIC OF KOREA**—The Office of Supply for the Government of the Republic of Korea has issued an invitation for bids for the supply of six items including: diphtheria antitoxin 3,500 bottles, and poliovirus vaccine, live, oral, Sabin type 1,200,000 doses on P.R. Number 70-G-16, Inv. Number: KFX-0039-C; bid deadline Apr. 10. Copies of this tender are available from the Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-3394). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

307 Plastic products

30795—GERMANY—Plastic self-locking adjustment knobs for potentiometer. Prices c.i.f. Hamburg or Bremen. Dr. J. u. H. Krautkraemer Ges. fuer Elektrophysik (distributor, manufacturer), 449 Luxemburger Strasse, 5 Koeln 41. WTD 1/70.

331 Steel mill products

33122 — ITALY — Special steel for gears. F.I.M.P.A. (importer, manufacturer), Corso Grosseto 81, 10147-Torino. WTD 2/69.

33123 — SINGAPORE — Tinplates, electrolytic or hot dipped, excluding double reduced and temper hard tinplates. Require 200 long tons per mo. Sin Cheong Containers Mfg. Co. (Pte.) Ltd. (manufacturer), 44 Bendemeer Road, Singapore 12. WTD 3/70.

335 Rolling, drawing, extruding of nonferrous metals

● **33500—BURMA**—Supply of various sizes of copper wire and cable. Tender No. 8026-1(T) EXP-RTB; bid deadline Apr. 30. Contact the Chairman, Road Transport Board, No. 375 Bogyoke Aung San St., Rangoon, Burma.

● **33500—INDIA**—Supply of various types of brass tubes for use in electrical equipment. Bid deadline Apr. 20; Tender No. PPX/NF/2372. Contact M.P.M.S. Heavy Electricals (India) Limited, P.O. Piplani, Bhopal.

● **33500 — IRELAND** — Supply of cable P.C.Q.L. of various quantities and specifications: CS/E.77H, CS/E/169 and CS/E.558A. Tender No. SDIC/111; bid deadline Apr. 15. Contact The Controller of Stores, Aldborough House, Dublin 1. Copies of tender are available on a loan basis from the Copper Division, BDSA, Washington, D.C. 20230 ★(202-967-3883).

353 Construction, mining, materials handling machinery, equipment

35316 — GUATEMALA — Newly-designed concrete-laying and forming equipment. CONEXUR-Construcciones y Excavaciones Urbanas (engineering construction firm), 6a. Avenida "A" 14-62, Zona 1, Guatemala City. WTD 3/70.

35319—GUATEMALA—Rubber-tired, truck mounted or tractor crawler, trapezoidal excavators; ditchers suitable for building irrigation canals. CONEXUR-Construcciones y Excavaciones Urbana (engineering construction firm), 6a. Avenida "A" 14-62, Zona 1, Guatemala City. WTD 3/70.

354 Metalworking machinery

● **35400—SOUTH AFRICA**—Turnkey 2050 mm semi-continuous hot strip mill. Inquiry No. V160/1; bid deadline Apr. 30. The Head, Capital Buying, South African Iron and Steel Industrial Corp., Ltd., (ISCOR), P.O. Box 450, Pretoria, Transvaal. Specifications available from ISCOR against a deposit of $210 per copy. The deposit will be refunded on receipt of bona fide tender.

35410—NETHERLANDS—All kinds of machine tools. Exclusive representations requested on an outright or agency basis. Andre de la Porte & Co. N.V. Attn: J. H. Seiler (importer, distributor, agent), Florapark 9, P.O. Box 69, Haarlem. WTD 3/70.

35420 — SWITZERLAND — Metal forming machines for encasing purposes in electrical industry. Wyder AG; Attn: E. Wyder (manufacturer), Winkelriedstrasse 65, 5430 Wettingen. WTD 3/70.

355 Special industry machinery

● **35500 — PAKISTAN** — 1 rotary bottle washing machine, with 48 spouting stations to be used for objects up to 100 m.m., hourly output: 1,500 objects; 1 bottle filling apparatus, capacity 150 ml and four automatic washers for pippetes and glassware caps. Tender No. S-12/393/69-70; bid deadline Apr. 22. Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca 2. Specifications are available on a short term loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

● **35500—QATAR**—Installation of subsidiary projects connected with the Qatar Fertilizer Plant, which is a joint venture between the Government of Qatar and West-European private interests. These projects include the installation of an 80 mile gas pipeline, a gas refrigeration unit and a conveyor belt loading system. Interested persons should contact the project's consulting engineers, Gibb-Ewbank, Process and Industrial Engineers, 24 Queen Anne's Gate, London, S.W.1, England.

● **35500 — VIET-NAM** — Machinery and equipment for processing 25 tons per 24 hours of raw materials for producing 5 metric tons per 24 hours of fishmeal. Tender No. 969/NSDA 126; bid deadline May 10. Industrial Development Center, 40-42 Nguyen Hue Blvd., P.O. Box 336, Saigon. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230 ★(202-967-5585).

35512 — NETHERLANDS — Slicing, chopping, bakery and similar food processing equipment. Sales rights requested for Western Europe. Firma A. H. Kuckertz (importer), 51 Leidsestraat, Amsterdam. WTD 3/70.

35513—NETHERLANDS—Meat processing equipment. Sales rights requested for Netherlands, Europe. Firma A. H. Kuckertz (importer), 51 Leidsestraat, Amsterdam. WTD 3/70.

35513—SINGAPORE—Can-making machinery: 1 line for making 5 sizes viz. a) 301 x 310; b) 211 x 409; c) 211 x 301; d) 211 x 400; e) 211 x 414. (The total yearly output will be approx. 40 million cans; and approx. 400 cans per minute). 1 line for making 3 sizes viz. a) 307 x 408; b) 401 x 212; c) 401 x 411. (The total yearly output and output capacity same as item (1)). 1 line for making 1 size 603 x 700. (The total yearly output 4 million cans. The output capacity approx. 25 cans per minute). 1 line lithographing for the above-mentioned 9 sizes. (Half of the above output will only be required to make use of lithographing system). Yeh Song Ing of Johore Containers Berhad., c/o Lim Kay Kok (manu-

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facturer), 107 Beach Road, Singapore 7. WTD in preparation.

355 Special industry machinery

35593—MEXICO—Thermoplastic injection molding equipment with a minimum 8-10 oz. screw-type press for single mold application for manufacturing water meters. Requests technical assistance. Medidores de Mexico, S.A. (importer, manufacturer), 524-10 Ebanistas St., Mexicali, B.C. WTD in preparation.

35595—MEXICO—Charcoal briquette making machinery and kilns for preparation of oak wood charcoal briquettes for export. Correspondence requested in Spanish. Industrializadora "San Miguel" (manufacturer, exporter), Aquiles Serdan Ote. 1100, Apdo. Postal 217, Durango, Dgo. WTD 1/70.

357 Office, computing, accounting machines

● **35700—ETHIOPIA**—Supply of 145 Latin keyboard page printers with control boxes for telex operation; 10 page printers for reception only. Tender No. 1/70; bid deadline June 1. Invited by the Imperial Board of Telecommunications of Ethiopia, P.O. Box 1047, Addis Ababa. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

35733 — NETHERLANDS — Computer peripheral equipment. Representations requested for Europe. Intercontinental Systems Information N.V. ISI, Attn: D. J. Keijer (importer, distributor), Building 70, Schiphol Airport-East, Amsterdam. WTD 3/70.

35741 — NETHERLANDS — Business machines. Representations requested for Europe. Intercontinental Systems Information N.V. ISI, Attn: D. J. Keijer (importer, distributor), Building 70, Schiphol Airport-East, Amsterdam. WTD 3/70.

358 Service industry machines

35891 — NETHERLANDS — Commercial kitchen and food catering equipment, for sales in Netherlands or Western Europe. Firma A. H. Kuckertz (importer), 51 Leidsestraat, Amsterdam. WTD 3/70.

361 Electric transmission, distribution equipment

● **36100—SOUTH AFRICA**—Supply electrical equipment for a new 2050MM semi-continuous hot strip mill including the supervision of erection, start-up, final testing and initial maintenance inquiry No. V160/2; bid deadline June 22. Specifications available for approximately $210 (U.S.) refundable on receipt of bona fide tender for the complete plant from the head, Capital Buying South African Iron and Steel Industrial Corp., Ltd., P.O. Box 450, Pretoria, Republic of South Africa.

● **36100—THAILAND**—Supply materials for the complete installation of compact breakers and associated gears for three substations with spares and furnish installation engineer to supervise complete installation work at one substation. Tender No. MEA-PSD-184; bid deadline May 4. Purchase and Stores Department, Metropolitan Electricity Authority, 121 Chakrapetch Road, Bangkok, Thailand. Specifications available from the Power & Electrical Equipment Division, BDSA, Room 5886C, Department of Commerce, 20230 ★(202-967-4241).

● **36100—THAILAND**—Supply 1,500 sets of 15 KV rating fuse cutout. Tender No. MEA-PSD-185; bid deadline May 8. The Purchases & Stores Dept., Metropolitan Electricity Authority, 121 Chakraphet Road, Bangkok, Thailand. Specifications available from the Power & Electrical Equipment Division, BDSA, Room 5886-C, Department of Commerce, Washington, D.C. 20230 ★(202-967-4241). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco. Calif. 94102 (415-556-5868).

36112—PORTUGAL—Monitoring and performance measuring equipment for telecommunication stations, other test and measuring instruments. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

364 Electrical lighting, wiring equipment

● **36400—ARGENTINA**—Item 1, supply of 3,000 each nominal power; 400 each unipolar short-circuit fuse cartridges for 220/380 V., 50 each HZ panelboards. Item 2, supply 3,000 each fuse cartridges similar to Item 1, nominal power 630A. Item 3, supply 180 unipolar fuse holder interceptor bases for 630A, 380V. Tender No. 3031. Supply 6,000 street-light armatures for 200 W incandescent bulbs, Tender

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505, 843-2386.
ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.
ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.
BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.
BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.
BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.
BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.
CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.
CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.
CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 634-5920.
CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 353-4400.
CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.
CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.
DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.
DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.
DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.
DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.
GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.
HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.
HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.
HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.
JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.
KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816, 374-3141.
LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.
MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.
MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.
MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.
MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.
NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.
NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.
PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.
PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.
PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412, 644-2850.
PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.
RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.
RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.
ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.
SALT LAKE CITY, UTAH, 84111 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.
SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.
SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.
SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.
SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

No. 3056; bid deadlines Apr. 22. Specifications available for approximately $1.75(U.S.) for each bid from SEGBA, Balcarce 184, "Compras Exterior," Buenos Aires, Argentina.

365 Radio, television receiving sets

36510—PORTUGAL—Audio-visual aids and equipment. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

366 Communications equipment

● **36600—GREECE**—Supply of 200 line concentrators. Tender No. 6732; bid deadline Apr. 17. Copies of tender announcement and specifications are available from the Hellenic Telecommunications Organization, 6 Klissovis St., Athens, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

36612—PORTUGAL—Teleprinter units, related equipment. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

36621 — PORTUGAL — Telecommunication antennas, rhombic, log-periodic, monopole, other types. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

36622—PORTUGAL—Closed circuit television systems. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

36623—PORTUGAL—Visual display and warning panels and components, including electronic panelboards for stadiums, other athletic fields. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

36626—PORTUGAL—Facsimile equipment, electronic. Direct purchase and agency. Termoelectronica-Genia, Lda. (importer, agent), Rua das Flores 71-3°., Lisbon. WTD 3/69.

384 Surgical, medical dental instruments

● **38400—CEYLON**—Supply of 18 dental chairs, double cylinder base with foot operated pumping; 6 sterling junior unit, 220/230 V; 108 electric instrument sterilizers; 16 combined bowl and instrument sterilizers; 24 dental electric foot engines; 72 spare cords for above. Bid deadline Apr. 17. Invited by the Department of Health, P.O. Box No. 584, Colombo, Ceylon. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Dept. of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **38400—MALAYSIA**—Supply of 800,000 rolls of surgical bandages in various sizes; 4,000 lbs. cellulose wadding; 15,000 rolls absorbant gauze; 8,500 X-ray films in boxes of 75, high speed, various sizes; 650 boxes of dental X-ray film; also fluorographic film. Bid deadline Apr. 30. Terms and specifications available from Ministry of Health, Young Road, Kuala Lumpur, Malaysia.

394 Toys, amusement, sporting goods

39493 — GERMANY — Archery equipment, diving equipment, winter sport equipment. Requests exclusive sales right for W. Germany and European countries. Hanns Balzer (importer, distributor), 6420 Lauterbach, Spessartstr. 13. WTD 3/70.

39493 — NETHERLANDS — Bowling balls for Dutch 9-pin bowling, with diameter of 240 millimeters and weights ranging from 16 to 21 lbs. Exclusive sales rights requested. Firma Beva (importer, distributor), 93-99 Nieuwe Leliestraat, Amsterdam. WTD 3/70.

399 Manufacturing industries

39990—GERMANY—All kinds of smoking accessories. Requests exclusive sales right for W. Germany and European countries. Hanns Balzer (importer, distributor), 6420 Lauterbach, Spessartstr. 13. WTD 3/70.

509 Wholesalers, scrap

50930—KOREA—Used Liberty or Victory type ships in 7,000 gross ton class or heavier to be used as scrap. Desires 20 ships per yr. for breaking up and subsequent use as scrap. Hung Kuk Industrial Co., Ltd. (importer, distributor), I.P.O. Box 1807, Seoul. WTD in preparation.

Agencies

Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.

106 Ferroalloy ores

10690 — ENGLAND — Metals and alloys: tantalum, columbium, molybdenum, tungsten, rare earths, cermets, and more advanced ceramics, in form of ingots, powders, master alloys melting stock, and in any form as used by electronic, nuclear, aircraft industries. John Walter Pokorny (agent), 34 Besbury Close, Dorridge, Solihull, Warwickshire. WTD in preparation.

221 Broad woven fabric mills, cotton

22110—NETHERLANDS—Washable dress fabrics, all kinds; weight 450 grams per meter. Sales territory: Common Market area. A. G. Jansens & Zn. Confectieatalier S.G. (Attn: Mr. Christ Jansens, Mgr.) (importer, manufacturer), 94a Hoog Geldropseweg, Geldrop. WTD 3/70.

222 Broad woven fabric mills, manmade fiber, silk

22210—NETHERLANDS—Washable dress fabrics, all kinds; weight 450 grams per meter. Sales territory: Common Market area. A. G. Jansens & Zn. Confectieatelier S.G. (Attn: Mr. Christ Jansens, Mgr.) (importer, manufacturer), 94a Hoog Geldropseweg, Geldrop. WTD 3/70.

223 Broad woven fabric mills, wool

22310—NETHERLANDS—Washable dress fabrics, all kinds; weight 450 grams per meter. Sales territory: Common Market area. A. G. Jansens & Zn. Confectieatelier S.G. (Attn: Christ Jansens, Mgr.) (importer, manufacturer), 94a Hoog Geldropseweg, Geldrop. WTD 3/70.

261 Pulp mills, products

26112—SWITZERLAND—Paper pulps: cellulose. Paul Rutz (importer, distributor, agent), 6, Avenue de Frontenex, P.O. Box 62, 1211 Geneva 6. WTD in preparation.

281 Industrial chemicals

28180—AUSTRIA—All kinds of organic chemicals for pharmaceutical, plastic, paper, textile and paint industries. Wolfram & Co. (importer, agent), Strohgasse 16/10, A-1030 Vienna. WTD 3/70.

28190—AUSTRIA—All kinds of inorganic chemicals for pharmaceutical, plastic, paper, textile and paint industries. Wolfram & Co. (importer, agent), Strohgasse 16/10, A-1030 Vienna. WTD 3/70.

289 Chemical products

28993—GERMANY—Metal treating compounds. Hans Wagner GmbH (importer, distributor, agent), Lubentiusstr. 3, 6251 Dietkirchen. WTD 9/69.

299 Products of petroleum, coal

29920 — GERMANY — Special lubricants, compounds for machine tools, construction equipment. Hans Wagner GmbH (importer, distributor, agent), 6251 Dietkirchen, Lubentiusstr. 3. WTD 9/69.

331 Steel mill products

33123—PAKISTAN—Steel, hot rolled sheet and strip. Requests catalogs, quotations, c. & f., Karachi. Gem Corp. (agent), 35-C, P.E.C.H. Society, Karachi-29. WTD 2/70.

344 Fabricated structural metal products

34438—NETHERLANDS—Glass lined steel vessels for the chemical, petrochemical and pharmaceutical industries. Technische Handelmaatschappij Tegla N.V., Attn: J. J. de Ruyter (importer, agent), 75 Brouwersgracht, Amsterdam. WTD 3/70.

349 Fabricated metal products

34940—NETHERLANDS—Valves for petrochemical industry. Technische Handelmaatschappij Tegla N.V., Attn: J. J. de Ruyter (importer, agent), 75 Brouwersgracht, Amsterdam. WTD 3/70.

352 Farm machinery

35228—FRANCE—Farm poultry equipment including attachments; hog equipment including attachments. Descriptive literature, price lists requested. Lucien Carrere (importer, distributor, agent), Pouylebon, par 32 Montesquiou. WTD 3/70.

354 Metalworking machinery

35442 — SWITZERLAND — Prefabricated

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concreting steel molds that can be left in the concrete after work is completed. The process may be entirely or partially applied instead of the usual metal reinforcement. Mageba S.A.; Attn: Mr. Hartmann, Sales Manager (distributor, agent), Jrchelstrasse 18, 8000 Zurich. WTD 3/70.

355 Special industry machinery

35591—ITALY—Desalting plants by electrodialysis; continuous demineralizing plants. Ing. Castagnetti & C. S.p.A. (manufacturer), 65 Via Fabbrichetta, 10095-Grugliasco (Torino). WTD 4/69.

35595—NETHERLANDS—Mixers for pharmaceutical industry. Technische Handelmaatschappij Tegla N.V., Attn: J. J. de Ruyter (importer, agent), 75 Brouwersgracht, Amsterdam. WTD 3/70.

356 General industrial machinery

35690—ITALY—Natural gas filters; coalescers, liquid filter separators. Ing. Castagnetti & C. S.p.A. (manufacturer), 65 Via Fabbrichetta, 10095-Grugliasco (Torino). WTD 4/69.

35690 — NETHERLANDS — Crystallizers, vacuum pumps, vacuum filters for chemical-pharmaceutical industry. Technische Handelmaatschappij Tegla N.V., Attn: J. J. de Ruyter (importer, agent), 75 Brouwersgracht, Amsterdam. WTD 3/70.

358 Service industry machines

35850—ENGLAND—Industrial humidifiers. Eltron (London) Ltd. (importer, distributor, manufacturer), Accrington Works, Strathmore Road, Croydon, Surrey. WTD in preparation.

363 Household appliances

36331 — FRANCE — Household automatic washing machines. Comptoir Electrique Forezien (distributor), 51 Rue du 11 Novembre, 42 Saint-Etienne (Loire). WTD 3/70.

36393—FRANCE—Household dish washing machines. Comptoir Electrique Forezien (distributor), 51 Rue du 11 Novembre, 42 Saint-Etienne (Loire). WTD 3/70.

367 Electronic components, accessories

36790—SWEDEN—Fixed miniature resistors, miniature capacitors, military-approved relays. Requests replies from manufacturers only. AB Ulrich Salchow (importer, distributor, agent), 12 Elsa Borgs Gata, S-126 06 Hagersten. WTD 3/70.

36793 — FRANCE — Electronic components, accessories. Comptoir Electrique Forezien (distributor), 51 Rue du 11 Novembre, 42 Saint-Etienne (Loire). WTD 3/70.

36795—PAKISTAN—Electronic devices and accessories. Requests catalogs, quotations, c. & f., Karachi. Gem Corp. (agent), 35-C, P.E.C.H. Society, Karachi-29. WTD 2/70.

381 Engineering, laboratory, scientific, research instruments

38112—PAKISTAN—Instruments, laboratory and scientific. Requests catalogs, quotations, c. & f., Karachi. Gem. Corp. (agent), 35-C, P.E.C.H. Society, Karachi-29. WTD 2/70.

Pakistan reports new deadline

Firms interested in tendering on the laying of a pipeline for the Government of Pakistan (see INTERNATIONAL COMMERCE, Mar. 9 or *Commerce Business Daily*, Mar. 3) are notified that the bid date is extended to Apr. 25.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

GERMANY—The Hamburg Senator of Economics and Transport, Helmuth Kern, announced on Mar. 3, that **construction of the airport at Kaltenkirchen** north of Hamburg will begin in 1971. The announcement was made on the occasion of the Hamburg Senate's acceptance of architectural design.

By the mid-1970's, the annual capacity of the Kaltenkirchen airport should be 4 million passengers. (The airport Hamburg-Fuhlsbuettel had approximately 2.65 million passengers in 1969.) The estimated construction costs for the first stage is DM 320 million (DM4 = U.S.$1).

The "Planungsgemeinschaft fuer den Flughafen Kaltenkirchen" will soon turn over responsibility for planning to the "Flughafen Hamburg GmbH." The address of the company responsible for contracts and bids is: Flughafen Hamburg GmbH (Planungsund Bauleitung), (Herr Dipl.-Ing. Richard Schleicher), 2 Hamburg 63, Flughafen, Postfach 100.

IVORY COAST—The Regie des chemins de fer Abidjan-Niger (RAN), the meter-gauge railroad linking Abidjan, Ivory Coast, and Ouagadougou, Upper Volta, and which is jointly owned by the two countries, recently announced plans for **purchasing 1,700 million francs CFA ($6.15 million) in new rolling stock** during the six year period 1970-1975.

From the proceeds of a 650 million francs CFA loan which it expects the RAN plans to purchase the following equipment by the end of 1970 or early 1971: 3 type 2 B/B diesel electric locomotives of 1800 horsepower, 1 railroad crane, 40 dumpcars, 10 flat cars for containers, 1 yard engine of 400 horsepower and 2 handcars. At a later date a second loan of 600 million francs CFA will permit the RAN to purchase 3 more type B/B diesel-electric locomotives of 1800 horsepower and 12 light coaches. With its own funds the RAN plans to buy 2 type B/B diesel-electric locomotives of 1800 horsepower in 1973 and 2 more in 1975, as well as 2 autorails (self-propelled basic units with additional nonpowered cars) of 550 horsepower in 1972, 2 in 1973 and 2 more in 1974.

REPUBLIC OF SOUTH AFRICA—A large **hospital complex** planned for the Johannesburg General Hospital and the University of the Witwatersrand Medical School may offer opportunities for export sales by American consultants, suppliers of hospital equipment and machinery, and building systems designers.

The "hospital city" is planned to include a 2,000-bed teaching hospital integrated with a medical school, a nurses' home and training facilities, and a shopping center complete with restaurant, bookshops, theater, etc. Construction might commence as early as 1971.

According to information received by the American Consulate General in Johannesburg, no sub-contracts have been let. Tenders will be announced by the Transvaal Provincial Administration and will be reported by the Consulate General whenever practicable. However, any interested businessman would be well advised to get in touch with the hospital architects, Johannesburg Hospital Architects, P.O. Box 31688, Braamfontein, Transvaal, Republic of South Africa, as soon as possible, to describe his firm's products and capabilities. This step should increase his company's chances of receiving advance notice of bids, and of being considered for any business not subject to bidding.

Another step which such companies should consider is participation in the South Africa International Medical Exhibition in Johannesburg June 22-27. Other American companies in the medical, surgical, and hospital field should also consider this promotion opportunity. At least two American companies are planning to enter this trade show; and the exhibition organizers, BTE South Africa (Pty.) Ltd., P.O. Box 7870, Johannesburg, state that they can still accommodate a few more exhibitors.

The U.S. Department of Commerce has copies of a brochure which describes this specialized exhibition in detail. For copies, write or call the Construction and Building Materials Division, BDSA-645, Room 5611, Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), or Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. ★(415-556-5868).

Visiting Buyers and Officials

JAPAN—Y. Magami representing Tohkai, Kogyo Rubber Co. Ltd., Tokyo, **interested in meeting U.S. manufacturers to acquire licenses in fibre-reinforced plastics and rubber products for automotive, construction and electrical industries.** Early April for approx 1 mo. c/o International Business Consulting Services, 1911 Frick Bldg., Pittsburgh, Pa. 15219 (412-471-6629). Itinerary: flexible. WTD in preparation.

NETHERLANDS—L. F. J. Bake, Managing Director, N.V. Chemicalien Im-en Export Maatschappij CHEMIMPO, 14A, Sarphatikade, Amsterdam, **interested in manufacturing small quantities of chemical specialties on a sub-contract basis or manufacturing under license and sale in the Benelux countries and acquiring representations for organic chemicals**; for example, kyclic coal tar crudes, pesticides, other synthetic organic agricultural chemicals, ethyl alcohol, other industrial organic chemicals, aluminum oxide, chrome colors, other inorganic pigments, chemical catalytic preparations, synthetic resins for protective coatings, synthetic rubber, biological products for human and veterinary use, medicinal chemicals, botanical products, soap and detergents except specialty cleaners, surface active agents, finishing agents, sulfonated oil, all types of gum and wood chemicals, gelatin except ready-to-eat desserts, fatty acids, essential oils, concrete curing and floor hardening materials, metal treating compounds, water proofing compounds, liquified refinery

gases and aromatics, plastic shipping containers. April via New York for 3 weeks. c/o Department of Commerce New York Field Office. Itinerary: to be arranged. WTD 10/69.

PAKISTAN—Shahid Iqbal, Managing Director, Fatime & Holden, John Fleming Bldg., McLeod Road, Karachi, **interested in contacting U.S. exporters of motion pictures and shipping companies seeking agents in Pakistan.** Mar. 16 via New York for 1 month. c/o MGM International Inc., 1350 Avenue of the Americas, New York, N.Y. 10019. Itinerary: New York City. WTD in preparation.

SOUTH AFRICA—David A. Kidd, E. I. Rogoff Ltd., Zambesi House, 44 Von Weilligh St., Johannesburg, **interested in agencies for plastic film for packaging, wastepaper for pulping, cylinder box board, drinking cup stock, wax sized board, various coated carton boards, high impact PVC and polystyrene for vacuum forming, polyester tape for video tape.** Apr. 1 via San Francisco for 17 days. Itinerary: San Francisco, Portland, 4/6 Monroe, La., 4/7 Dallas, 4/9-17 New York c/o The Summit Hotel, E. 51st St. & Lexington Ave., New York, N.Y. 10022. WTD 2/70.

Pakistan announces tender for water, sewage treatment items

The Dacca Water Supply and Sewerage Authority invites bids for the supply of chemical feeding equipment, chemical rapid mixing equipment, entry hatch, flexible couplings, weighing scales, chlorination equipment, sluice gates, and other miscellaneous items and appurtenances.

Materials and equipment are to be delivered within 120 days after the contract has been awarded. Refundable bid and performance bonds are required. Telegraphic proposals are not acceptable.

Tender documents are available at no cost to licensed agencies or authorized representatives of established manufacturers of the above types of equipment from: Chairman, Dacca Water Supply & Sewerage Authority, 156/157 Motijheel Commercial Area, Dacca, East Pakistan. Tenders will be received until May 1 at 10 a.m.

Aqueduct project subject of Guatemala tenders

The Government of Guatemala has issued a call for bids on the construction of a section of the Xaya-Pixcaya National Aqueduct designed as Section XP-3. This section, which is part of a water supply construction program, consists of approximately 6 Kms. of covered canals, metal siphons, transition boxes and a tunnel, as well as the improvement and construction of access roads between stations 28 + 843 and 34 + 281. Invitation for bids, bidding documents, plans and specifications are available to interested bidders at the offices of the Xaya-Pixcaya project, situated at La Aurora International Airport, Civil Aeronautics Area, in exchange for: 1) 50 yards of 42" wide heliographic paper; 2) 100 letter size ditto matrixes; and 3) 3,000 sheets of letter size ditto paper.

Bids will be accepted in the manner described in the bid documents only from Guatemalan construction firms, and from firms located in member countries of the Inter-American Development Bank (IDB) which possess satisfactory experience in the execution of similar projects. Bids must be presented before 9 a.m. April 14 at the above mentioned office. Funds will be allocated by the Guatemalan Government from an outstanding credit line committed by the IDB.

One set of bid documents is available for review in Room 5611 of the Construction and Building Materials Division, Department of Commerce, Washington, D.C. (202-967-3602).

Ship loading facilities in Netherland Antilles opened up for bidding

The Antilles International Salt Co., N.V. announces a tender for the construction of an offshore salt ship loading facility on the island of Bonaire in the Netherlands Antilles. The project consists of the following major elements: 1) trestle: the trestle will extend approximately 245 meters from the shore area to the unloading platform and will carry a 43 inch conveyor plus a walkway. The conveyor idlers and belting are not included in the contract. The trestle will consist of precast prestressed single T-sections, supported on steel piles; 2) loading platform: the loading platform will consist of a concrete slab on steel piles, and will support a steel loading tower approximately 26 meters high. All mechanical and electrical work in connection with the loading tower and boom conveyor will be included in the contract; 3) breasting dolphins: there will be four breasting dolphins, consisting of reinforced concrete slabs, supported on steel piles; 4) mooring dolphins: there will be two mooring dolphins, consisting of reinforced concrete slabs, supported on steel piles. All dolphins will be interconnected with the loading platform by walkways, made of precast prestressed concrete T-sections; 5) mooring buoys: there will be two mooring buoys, each located approximately 305 meters from the loading platform; and 6) piles: all piles will be of steel pipe filled with concrete.

The estimate for the completion of the project amounts to U.S. $1,004,000. The project is to be completed in 18 months.

Only construction firms that specialize in the type of work required for the structure described below, that possess the necessary equipment and have demonstrated by their record, experience and ability as a contractor to satisfactorily construct projects of this type, will be considered for the construction of the off-shore load-out facility.

The contract documents will require that each bidder submit detailed financial and technical qualifications two weeks after receipt of the bid documents.

Bids will be opened in the Chess Room of Hotel Curacao Intercontinental on Friday, April 17, at 5:00 p.m.

There will be a pre-bid conference and an inspection of the project site on Bonaire, approximately 3 weeks after issuance of the Contract Documents.

The contract documents, specifications and drawings, all in English, can be obtained on written request from R. C. Lang, Antilles International Salt Co., N.V., P.O. Box 352, Clarks Summit, Pennsylvania 18411, or from Mr. L. J. Theilgard, Antilles International Salt Co., N.V., Bonaire, N.A. upon payment of U.S. $100 per set. This payment will be refunded upon return of the documents, specifications and drawings.

Prequalification notice announced for harbor project in Mombasa

Invitations will be made in June 1970 for tenders concerning the construction of two additional deep water berths at Mombasa with a first option of extending the contract by one berth and second option of extending the contract by two berths.

The works for the first two berths will comprise the construction of approximately 370 meters of deep water wharves carried on steel piles with a reinforced concrete deck system, shore reclamation, a transit shed and back-of-port shed, roads, surfaced areas and rail tracks, etc. The works will include dredging both in soft material and in shale, to be phased with the construction program. These two berths have been designed as future container berths.

Firms wishing to tender should indicate their interest in writing to the consulting engineers, Messrs. Goode and Partners, 2 Victoria St., London, S.W.1, England. Expressions of interest should reach this firm not later than April 20. The firms must state their previous experience in the construction of the type of work involved, their financial standing, and the availability of the necessary construction equipment.

Applications from organizations acting as agents for firms of contractors, from organizations prepared to undertake the dredging only, or from suppliers of materials will not be considered, nor will inquires by telephone. All applications must be made in English.

Companies who were prequalified and/or invited to tender in June 1967 for additional deep water berths in Mombasa Harbour need not supply the information requested above, but should simply express their desire to be invited to tender.

The East African Harbours Corporation does not obligate itself to invite to tender all firms expressing their interest in the project.

Two broadcast systems are NATO projects in Nova Scotia; international bidding sought

The Canadian Department of External Affairs intends to call for bids on an international competitive basis for works and equipment pertaining to Saclant Infrastructure serial 15 slice XX, Westland Fleet Broadcast project.

The project will involve provision, installation, testing and proving of two low frequency systems. One system will be located at Great Village (Debert) Nova Scotia, geographical position 45° 25'N, 63° 36.5'W while the second will be located at Newport Corner, Nova Scotia position 44° 57'N 63° 58'W. At this time the power of each transmitter is seen at 15Kw's output power. Provision, installation and testing of four 10 Kw's SSB HF transmitters to be installed at Newport Corner are also included. It is to be noted that both systems will be the subject of separate international competitive bids.

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

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Calendar *for international traders*

ATLANTA—Apr. 16—REEC luncheon, Capital City Country Club, noon. Speaker: **Henry Kearns, President of the Export-Import Bank of the United States.**

ATLANTA—Apr. 16—Georgia State University 'E' Award presentation by **Henry Kearns, President of the Export-Import Bank of the United States,** auditorium, Business Administration Bldg.

BLOOMINGTON, ILL.—Apr. 21—Export seminar sponsored by Illinois Dept. of Business and Economic Development, Bloomington Chamber of Commerce, Commerce's Chicago Field Office.

BRISTOL, CONN.—Apr. 13—Export seminar on Services Available to Exporters, 7 p.m. to 9 p.m., at the Bristol Chamber of Commerce, 81 Main St. Sponsors: Bristol Chamber of Commerce, REEC, and Commerce's Hartford Field Office.

CHICAGO—May 5—Automotive Exporter's Club of Chicago meeting, Builder's Building.

CROSS CREEK, PA.—Apr. 16—Export luncheon forum, noon. Sponsors: Franklin/Oil City Chambers of Commerce, Commerce's Pittsburgh Field Office.

DANBURY, CONN.—Apr. 14—Export seminar on Through Transportation Ocean Cargo, 7 p.m. to 9 p.m., at the State National Bank of Connecticut, 330 Main Street. Sponsors: State National Bank, Danbury Chamber of Commerce, REEC, and Commerce's Hartford Field Office.

DETROIT—Apr. 14—Export workshop, Commerce Field Office, 533 Federal Bldg., 10 a.m.

DETROIT—Apr. 16—World Trade Club of Detroit, Pick-Fort Shelby Hotel, 6 p.m.

DOYLESTOWN, PA.—Apr. 13—Monthly dinner meeting of International Trade Development Assn. of Bucks County, Conti's Cross Keys Inn. Hospitality 5:30 p.m.; dinner 6:45 p.m.

ERIE, PA.—Apr. 21—Export luncheon forum, Serafini's Restaurant, noon. Sponsors: Greater Erie Chamber of Commerce and Commerce's Pittsburgh Field Office.

FT. WASHINGTON, PA.—Apr. 14—Meeting of Montgomery County World Trade Association at Sheraton Penn-Pike Motor Inn, noon. Subject: Export Documentation. Speakers: Stanley Kaplan, Vice President, John H. Faunce, Inc., Philadelphia; and Charles Lyon, Assistant Vice President, Provident National Bank, Philadelphia.

FORT WAYNE, IND.—Apr. 22—Export seminar sponsored by the Indiana Dept. of Commerce, Fort Wayne Chamber of Commerce, and Commerce's Chicago Field Office.

HONOLULU — Apr. 15 — "How to Get Started in Export-Import" workshop, 10 a.m., Commerce Field Office.

JEANNETTE, PA.—Apr. 15—Export luncheon forum, Four Winds Club, noon. Sponsors: Greensburg Chamber of Commerce, Commerce's Pittsburgh Field Office.

JOPLIN, MO.—Apr. 23—Seminars on Export Market Development (9 a.m.-noon) and Export Documentation (2-4:30 p.m.), Chamber of Commerce. Sponsors: Chamber of Commerce, REEC and Commerce's Kansas City Field Office.

KANSAS CITY—Apr. 14—Meeting for exporters, Virginia State Port Authority, Top of the Tower, 911 Main, 6 p.m. Sponsors: International Trade Club, REEC, Commerce Field Office.

KANSAS CITY—Apr. 15—Export Procedures Course, 620 Ten Main Center, 920 Main Street, 6:30 p.m. Sponsors: International Trade Club, REEC, Commerce Field Office.

LITTLE ROCK—Apr. 15—Seminar on Doing Business with Canada, Hotel Marion. **Speaker: Asst. Secretary of Commerce for Economic Development Robert A. Podesta.** Sponsors: Arkansas Industrial Development Commission, REEC, Commerce's Memphis Field Office.

LOS ANGELES—Apr. 14—All-day Export Seminar, Mission Room, Hilton Hotel, 9:45-3:45. Sponsors: TWA, Small Business Association, Southern California REEC, Commerce Field Office.

MEMPHIS — Apr. 21 — Memphis World Trade Club meeting, Sheraton Motor Inn.

MEMPHIS—Apr. 22—Export Workshop on the Commerce Department's Commercial Exhibits Program, Albert Pick Motor Inn. Sponsors: Mid-South Exporters' Roundtable, REEC, Commerce Field Office.

NEW YORK—Apr. 15—Dinner meeting of the Foreign Credit Interchange Bureau's Export Credit Group. Advertising Club, 23 Park Ave., 4 p.m.

NEW YORK — Apr. 19 — FCIB's Drug, Chemical and Food Export Club luncheon, 12:15, Advertising Club, 23 Park Avenue.

NEW YORK—Apr. 20-23—Annual Packaging Conference and Exposition. Conference, Apr. 20-22, American Hotel. Exposition, Apr. 20-23, Coliseum. Sponsor: American Management Assn.

NEW YORK — Apr. 21 — FCIB's Hardware, Automotive and Allied Trades Group luncheon, 12:30, Advertising Club, 23 Park Avenue.

PHILADELPHIA, PA.—Apr. 15—In-Office Workshop on locating agents and distributors. Philadelphia Field Office at 10 a.m.

PHOENIX—Apr. 16—In-office workshop, Commerce Field Office, 10 a.m.-noon. Sponsors: REEC, Field Office.

ST. LOUIS—Apr. 21—"Show You" Export Workshop, Federal Building. 2 p.m. Sponsors: World Trade Club, REEC and Commerce Field Office.

SEATTLE — Apr. 14 — Briefing on Banking & Insurance for Exporters, 8021 Federal Office Bldg., 10 a.m.-noon. Sponsor: Commerce Field Office.

SPRINGFIELD, MO.—Apr. 21—Seminars on export market development (9 a.m.-noon) and export documentation (2-4:30 p.m.), Chamber of Commerce headquarters. Sponsors: Chamber of Commerce, REEC, and Commerce's Kansas City Field Office.

WASHINGTON, PA.—Apr. 20—Export luncheon forum, Holiday Inn, noon. Sponsors: Washington Chamber of Commerce, Commerce's Pittsburgh Field Office.

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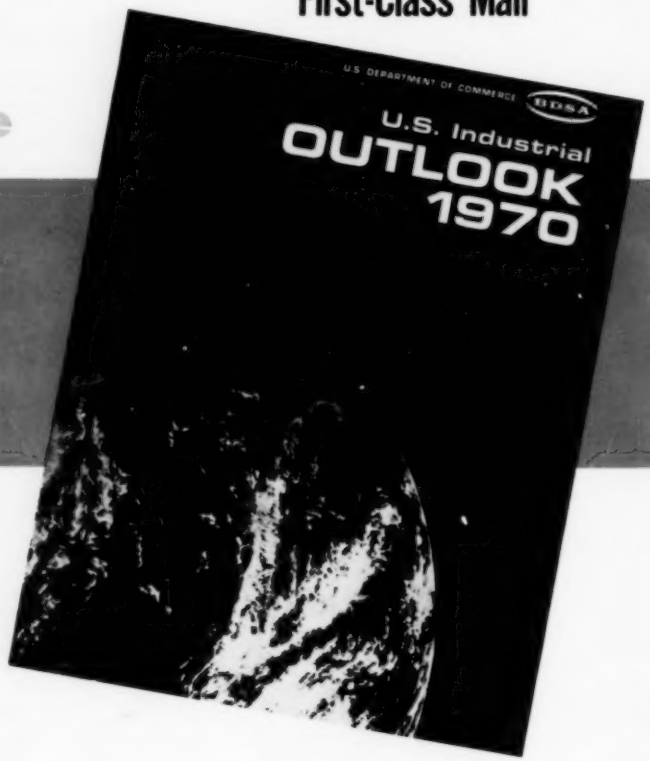

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